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ABSTRACT

An international team of researchers studied the following aspects of training in Ireland's retail sector: structure and characteristics, institutional and social context, employment and labor, changing conditions and their implications for skill requirements, and training and recruitment. Data were collected from an analysis of social and labor/employment statistics, literature review, and case studies of a family-owned department store, Ireland's national electricity generating and distribution company, a retail firm selling food and nonfood items, and a private grocery chain. Each case study included information about the following: company structure/characteristics; business strategy; personnel policies; and training policies, strategies, objectives, structure, and plans. The case studies confirmed that systematic training of staff within Ireland's retail sector is a relatively new development. One of the companies had no training department/training system until 2 years ago even though it employs 320 people. Formal planning of training occurred only at the large companies and was generally the responsibility of a training manager. Training practices and topics varied widely, and only the larger organizations had invested in training facilities. Little in-depth assessment of training costs and benefits had occurred to date; however, more systematic assessment of training appeared likely. (Contains 16 tables/figures and 14 references.) (MN)

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IRELAND
REPORT

RETAIL SECTOR

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TASK FORCE – Human Resources, Education, Training and Youth.

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RETAIL SECTOR

TRAINING IN THE RETAIL TRADE IN IRELAND

REPORT FOR THE FORCE PROGRAMME

drawn up by
Service Industries Research Centre
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Commission of the European Communities
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This study was carried out in the framework of the European Retail Trade Sector Study, within the EC FORCE programme, and conducted by a Central Team made up mainly of member centres of "EURO-NET Work & Education", under the responsibility of the CIREM Foundation in Barcelona.

The Central team was composed of Olivier Bertrand (CEREQ, Paris), Oriol Homs (CIREM, Barcelona), Wilfried Kruse (S.F.S. Dortmund), Marisa Mendez-Vigo (CIREM, Barcelona) and Harry van den Tillaart (ITS, Nijmegen), in close collaboration with Tina Bertzeletou from CEDEFOP, Berlin.

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FORCE National Coordinating Committee for the Retail Sector, Dublin
Members of the Retail/Wholesale Training Committee of FÁS, Dublin
Mr. Henry Murdock, Mr. Ian Hyland, Ms. Breda Kennedy, FÁS, Dublin.
We wish to pay tribute to the work undertaken by Tom Martin who wrote the sectoral and conclusions reports and two case studies, and to Candy Murphy who compiled two of the case studies.

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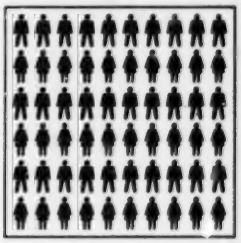
PART 1:

DESCRIPTION OF THE RETAIL SECTOR AND ITS DEVELOPMENT



1. Definition and limits of sector
2. Structure and characteristics of retailing
3. The institutional and social context
4. Employment and labour
5. Changing conditions and their implications for skill requirements and training
6. Training and recruitment
7. Issues

DESCRIPTION OF THE RETAIL SECTOR AND ITS DEVELOPMENT

1.

1. Definition and limits of sector

The retail trade is defined by the Irish national agency for statistics Office (CSO), as the resale (i.e. sale without transformation) of new and used goods to the general public for personal or household consumption or utilization. The goods can either be sold in the same condition or after undergoing the kind of processing, sorting, grading, packing, repacking, etc., normal to retailing.

The Central Statistics Office definition of the retail trade includes public houses, petrol filling stations, car sales outlets and repair and service garages. Milk roundsmen operating on their own account are included; these have increased in importance in urban areas because of the restructuring of milk delivery operations. Excluded are open air and covered markets, mobile shops, itinerant traders, newsboys, auction sales rooms, self-employed retail agents and the direct retail sales of firms mainly engaged in some other business activity i.e. manufacturing.

The CSO uses a classification system which distinguishes 37 retail business sectors. This national classification system can be equated with the General Classification of Economic Activities with the European Economic Communities (NACE). In this report statistics for the retail trade in Ireland are presented using the CSO national classification system and detailed description of the CSO national classification system is provided in Appendix 1.

The disadvantage of using CSO data for the retail sector is that a census of the retail sector is only undertaken every ten years and frequently there is a considerable time lag between undertaking the census and the publication of results. The CSO information on the retail sector used in this report was mainly obtained from the 1988 Census of Services – the one previous to that was 1977 – which was only published in July 1991. Surveys of the retail sector by the market research company, A.C. Nielsen of Ireland, while not as comprehensive as the CSO census are undertaken more frequently and published more promptly. The Nielsen information is provided in this report as an indicator of trends within the retail sector and it should not be used for its absolute value. There are definitional differences between the CSO and Nielsen surveys.

In this report the Service Industries Research Centre has omitted statistics relating the retail sale of motor vehicles and motorcycles and the repair of personal and household goods.

All monetary values are given in Irish Pounds (IRL) unless otherwise specified; at the time of writing IRL 1 = 1.3 ECU.

2. Structure and characteristics of retailing

Brief historical background

The retailing structure which evolved with independence from England in 1922 was dominated by small family owned and managed counter service shops. A number of retail concerns were owned by UK companies but these were few in number. The early decades of Irish independence were characterized by low economic growth and high emigration.

The first-self service grocery shop was opened in Dublin in 1949 but closed a year later. The main reason for the lack of consumer acceptance for self service was that products then did not come in packets. Butter was the only product which was packed in consumer portions – everything else came in large sacks. Products had to be repacked in small brown bags, labelled and placed on the shelf.

The company which tried the self-service concept in 1949 tried again in Dublin in 1957 and this time succeeded. An important factor was that economic conditions within Ireland began to improve around the end of the 1950s and the beginning of the 1960s. The second self-service grocery shop in Ireland was established in Dundalk by the founder of Superquinn one of the companies profiled in the case studies.

The self-service concept quickly established itself and spread to other retail sectors besides grocery. It was followed in turn by the development of multiple groups and by a rationalization of the number of retail outlets. A number of UK multiple groups have entered the Irish grocery market since the 1960s but only one which took over an existing Irish supermarket chain has been successful.

Multiple groups since the transition to self-service dominate the grocery, clothing and household hardware sections. Within the grocery trade the multiples account for 60 per cent of grocery expenditure and within the Dublin region account for 80 per cent of grocery expenditure.

The threat of the multiples has been a major factor in the re-organization of the symbol stores – largely prompted by the grocery wholesale companies – who are now competing on the basis of longer opening hours and proximity to consumers. The symbol stores e.g. retail outlets affialiated to a franchise such as Spar, Mace, Centra, etc., have succeeded in winning market share back from the multiples. Other contributing factors have been the prohibition on below cost selling, stronger and more centralized group purchasing and investments made in equipment and premises. The independents' market share of the grocery trade declined during the 1970s and 1980s though recently the decline has levelled off.

In other sectors of the retail industry one of the major developments has been the arrival of UK owned retail outlets particularly in the hardware, clothing and music sectors. Their presence in the Irish market has intensified the level of competition and has lead to a number of Irish-owned outlets rationalizing their operations. A particular feature of the hardware sector has been the development of large, out-of-town superstores by UK operators.

Structure of retailing

According to the 1988 Census of Services published by the Central Statistics Office, the Irish retail indus-

try had an estimated aggregate turnover in 1987 of IRL 5.7 billion (excluding Value Added Tax) of which the food drink and tobacco sub-sector alone accounted for IRL 3.7 billion.

The food, drink and tobacco sub-sector dominates the retail industry in Ireland in terms of number of outlets, turnover, gross margin, persons engaged and selling space. A small number of categories, however, within the food, drink and tobacco subsector account for a greater proportion of these statistics. The supermarket category accounts for 22 per cent of total retail turnover and 16 per cent of the total number of persons engaged though in terms of numbers of retail outlets it only forms 1.5 per cent of total retail outlets. The category public house, is also a major one accounting for a high percentage of total number of retail outlets, numbers of persons engaged and turnover.

It should be noted that in Table 2.1 the number of persons engaged includes owners, family members and employees. It is important to note that a number of the companies in the supermarket category such as Dunnes Stores and Quinnsworth (through its Penneys/ Primark chain) are also involved in the clothing and footwear category and in recent years have obtained a major share of this category as well.

The Dublin metropolitan region accounts for the greater share of both numbers of outlets and total turnover for the state. One-fifth of all retail outlets and two-fifths of retail turnover in Ireland is accounted for in this region. A number of food, drink and tobacco categories are found almost exclusively in rural areas an example of which is grocers with public house.

The dominance of the Dublin metropolitan region can be seen in the percentage of gross margins earned by the industry in Ireland as a whole. In the food, drink and tobacco sector the Dublin metropolitan region with only 16 per cent of national outlets accounted for 34 per cent of total gross margins generated nationally. In the grocery sub-sector, the Dublin metropolitan region accounted for 14 per cent of total national retail outlets but generated 32 per cent of the country's gross margin.

Trade sources indicate that within the grocery subsector pressure of competition has reduced margins to 16-18 per cent compared to 50 per cent in the public house sub-sector and 300 per cent for clothing boutiques. Competition within the Dublin grocery market is very intensive given that the city is over-provided with retail outlets.

The retail sector in Ireland is characterized by a large number of family-owned and staffed retail outlets and a small number of very large companies with multiple outlets. This is especially so in the food, drink and tobacco sector but is found in other sectors of the retail industry. The size of firms in the retail sector is examined in more detail in Section 4 below.

Surveys of the retail sector by the market research company, A.C. Nielsen, give an overall indication of the trends in numbers of retail outlets for certain retail sub-sectors for the period 1966 – 1988. These are shown in Table 2.2 below and it should be noted that Nielsen does not cover clothing or department stores.

Table 2.1 – Structure of Irish retail sector in 1988

Sub-sector	No. of outlets	Turnover excl. VAT	Gross margin excl. VAT	No. of persons engaged	Selling space sq. feet
		IRL	IRL		00
Food, drink and tobacco	18239	3658064	741605	72254	159802
Of which:					
Supermarkets	433	1492968	228285	17726	39751
Other grocery	5176	600937	99583	13353	28650
Public houses	6478	715737	233006	22961	60593
Tobacco, sweets and newspapers	1689	220992	41346	5158	7797
Clothing and footwear	3202	652448	183418	12792	35366
All other non-food	6434	1407950	391953	26509	69503
Of which:					
Chemists	1039	204929	56853	4207	6118
Hardware	840	191989	45043	3503	14327
Electrical	608	156605	41250	1978	5058
Department stores	12	195155	64725	3507	7696
Total	27875	5718462	1316977	111555	77078

Source: 1988 Census of Services, Volume 1, Central Statistics Office

Table 2.2 – Trends in number of outlets for selected shop types, 1966 – 1988

Shop type	1966	1977	1983	1988
Grocers	12 681	9 042	7 736	6 575
Grocers with off-licence	364	377	541	596
Grocers with public house	3923	1933	936	677
Tobacco, sweets & newspapers	4003	2428	2357	2822
Public houses	5973	7231	7653	7888
Chemists	1343	1199	1132	1269
Butchers	2060	1759	1947	1954
Footwear	486	585	691	671
Hardware	1162	1242	1780	2072
Electrical	843	913	1228	1242
Total	30778	24950	24054	23812

Source: Retail Census 1988, Nielsen Marketing Research

The fall off in numbers of retail outlets over the period 1966 – 1988 in Ireland can be seen from Table 2.2 and in particular the sharp decline in numbers of grocery outlets. A number of retail categories such as electrical and hardware retail outlets have, however, seen increases and they reflect changes in the pattern of consumer expenditure. The increase in the public house category is contrasted with the very heavy decline in numbers in the grocers with public house category which, as mentioned above, is exclusively a rural phenomenon.

Nielsen data shows that while the numbers of grocery outlets has declined the numbers of catering outlets has increased from 1 822 in 1966 to 3 622 in 1988 indicating a move towards eating out among consumers. The declining numbers of retail outlets in Ireland trend long term strategic implications including staff numbers, training, opening hours and range of products and services offered.

3. The institutional and social context

Background information

The general system of industrial relations in Ireland is a voluntary one. This means that the terms and conditions of employment of the majority of employees are determined by the process of collective bargaining between an employer or employers' association and one or more trade unions, without the intervention of the State. This process determines standard matters such as wages and hours of work and, in addition, some collective bargains lay down procedural rules which govern the conduct of industrial relations. Thus, collective bargaining and not the law is the primary source of regulation in employment relationship in Ireland.

However, in recent years there have been a number of laws passed which lay down certain minimum standards which are often improved upon by collective bargaining.

As a general rule, employment laws do not apply to the immediate family of the employer provided they live with him and are employed in the same private house. A law passed last year, the Worker Protection (Regular Part-time Employees) Act 1991, extends basic minimum employment rights to part-time employees and particularly impacts on the retail sector because of the large numbers of part-time workers engaged in retailing.

The main laws which affect the retail sector are as follows:

Shops (Conditions of Employment) Acts 1938 and 1942: These acts regulate and control the conditions of employment of workers in wholesale and retail shops, warehouses, hotels (Dublin city only), licensed premises and refreshment houses (restaurant, cafes or tea shops). The acts cover such areas as restrictions on the employment of young people, work hours, intervals for meals, holidays, and health and comfort of employees.

Protection of Young Persons (Employment) Act 1977: This act relates to the employment of young persons under the age of 18 and it contains provisions about the minimum age for entry into employment, sets limits to the working hours of young people, provides for rest intervals and prohibits night work. It also requires employers to keep records of the ages and working times of employees under 18 years of age. The Act prohibits the employment of children under the age of 15 though a child over 14 may be permitted to do light work during school holidays.

Worker Protection (Regular Part-time Employees) Act 1991: The object of this act is to extend to regular part-time employees the rights to minimum notice, holidays, maternity leave, redress for unfair dismissal, worker participation (where appropriate) and redundancy and insolvency protection. The act has particular consequences for the retail sector because of the large numbers of part-time people employed.

Minimum Notice and Terms of Employment Act 1973: The act sets out to specify the minimum notice that must be given by employers and by employees in terminating a contract of employment and to give employees the right to have information about the terms of their employment in writing. The act does notap- ply to the immediate family of the employer provided they live with him and hare employed in the same private house or farm.

1.

Maternity Protection of Employees act 1981: The purpose of the act is to provide maternity protection for employees who are expecting a baby and does so by giving them certain basic rights. The act covers female probationers, trainees and apprentices who work for 18 hours or more per week.

Holidays (Employees) Act 1973: The act provides a minimum legally enforceable entitlement for most employees working the required number of hours to three weeks' annual leave per year and to public holidays.

Unfair Dismissals Act 1977: The purpose of the act is to protect employees from being unfairly dismissed from their jobs by laying down criteria by which dismissals are to be judged unfair.

Joint Labour Committee

In recent years the government has concluded special agreements with the social partners in order to improve economic conditions. In recent years these have included the Programme for National Recovery (PNR) and the Programme for Economic and Social Progress (PESP). The rationale behind these agreements has been to curb excessive wage increases and to determine a level of wage increases applicable to all employees agreeable to government, employers and trade unions. However, both agreements have covered wider issues including special schemes to improve unemployment.

As part of the negotiations leading to the PESP agreement in 1990 the trade unions requested the introduction of a statutory national minimum wage. The trade unions cited the retail sector in general and the newsagent/grocery sub-sector in particular, as an area where low pay and below average conditions of employment were prevalent.

The Department of Labour requested the Economic and Social Research Institute to carry out an investigation. The results of this investigation supported the trade unions' arguments and the government agreed to consider the possibility of introducing a national minimum wage during the period covered by the PESP agreement.

At the same time two trade unions which represent workers in the newsagents and grocers sub-sectors, IDATU and INUVGATA, made submissions to the Labour Court in 1990 for the establishment of a Joint Labour Committee (JLC) to cover workers in the Grocery and Allied Trades sector, under the provision of Section 36 of the Industrial Relations Act 1946.

In November 1990 the Labour Court heard submissions from all affected parties. The Federation of Irish Employers (FIE) co-ordinated the employers' campaign against the establishment of the Joint Labour Committee.

After hearing submissions from both employers and trade unions, the Labour Cour ordered the introduction of the JLC which came into effect on May 1, 1992. The JLC will be responsible for the implementation of minimum wage levels for shop assistants agreed by the parties during the Labour Court submissions as well as matters relating to part-time workers, overtime premiums, annual holidays, rest periods, work rosters and service certificates. The JLC has the statutory power to issue Employment Orders (ERO) which are legally binding for both employers and employees. An employer cannot plead inability to pay in the face of an ERO. Similarly any agreement between employer and employee to offer/accept pay or conditions less than those agreed by the JLC will be null and void.

Employers in the newsagents, grocery and allied trades will from May 1992 have to pay agreed labour rates for a 39 hour working week depending on the years service of the employee concerned. Hitherto, where an employee was dissatisfied with conditions the option most commonly taken was to seek employment elsewhere. This allowed employers to replace high cost employees with newer, lower cost recruits. The new minimum rates established by the Labour Court and to be implemented by the JLC will make it more attractive for experienced employees to stay with their existing employers.

Employers' associations believe that the impact of the JLC will force employers to consider more seriously the necessity to treat their sales staff as an asset and to recognize the importance of training in developing their staff.

Employers' organizations and trade unions

The Irish retail sector is characterized by a multiplicity of both employers' organizations on one side and trade unions on the other. Even within specific and narrowly defined sub-sectors in the retail industry it is possible to find more than one employers' association. On national pay and working conditions issues, employers are represented by the Federation of Irish Employers (FIE) and trade unions are represented by the Irish Congress of Trade Unions (ICTU). A number of the employers' organizations in the retail sector are associated with the FIE and similarly the retail sector trade unions are affiliated with the ICTU.

The FIE has a specialist training division which provides tailor-made in-house training courses for managers/supervisors in all sectors. However, involvement of the retail sector in these courses is low. FIE and FAS, the national employment and training agency, are finalizing a modular-based training programme for sales staff going into the retail trade. Modules cover customer relations, sales, hygiene, safety and product knowledge. It is hoped to extend the modules to cover supervisory skills.

Apart from the obvious difficulties to be expected with a sub-sector having more than one employers' organization in developing a common position for all employers in that sub-sector, there are other less obvious implications. One such implication of having more than one employers' organization in a subsector is that they are likely to compete with each other for members with the result that less time

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and resources are available for policy development and implementation. One of the consequences of this is that employers' associations often have plans to provide training courses for their members but because of scarce resources these plans are never put into practice.

A number of trade associations in the retail sector do, however, run training courses for members' employees. One example of this is the Irish Hardware Association (IHA) which represents manufacturers, agents, wholesalers and retailers. The latter category accounts for the majority of the members of the IHA. The IHA has a Training Committee which organizes training courses, sets examinations and awards diplomas for new entrants and existing employees. The association has a very comprehensive training programme covering all skill areas and tends to use experts in the industry to run programmes. The only training area not being met is language skills. The IHA Training Committee designs curricula for distance learning programmes with assistance from its counterpart organizations in the US and the UK.

There are similar problems to employers' organizations on the trade union side in that a number of unions compete for members in the same retail subsector. Other difficulties experienced by trade unions are the difficulties of serving members who are the sole employee in retail outlets in peripheral regions of the country and the high proportion of part-time workers in the retail sector many of whom are not unionized. Trade union officials spend a considerable amount of time dealing with members' grievances relating to pay and conditions but training is not a priority in negotiations with employers.

Social partners involvement in vocational training

In the area of continuing vocational training in Ireland, the government has developed structures particularly within many sectors of manufacturing industry which allow for the involvement of the social partners in the development and formulation of national vocational training policies. In the manufacturing and tourism sectors for example, statutory training organizations composed of representatives of the social partners exist to take decisions on issues relating to education and training matters in these sectors. In these sectors a training levy is collected from employers, calculated as a percentage of wage and salary costs, and is used to fund training programmes for the sector. However, in the retail sector there has been no government impetus to involve the social partners in the provision of training for the sector. There is no sector specific statutory body for the retail sector in which social partners can meet to discuss the development and implementation of national vocational training policies.

The main statutory body concerned with vocational training in Ireland, FAS, the training and employment authority, has established a Retail/Wholesale Training Committee. The committee is composed of representatives of both employers and trade unions and its remit is to examine what are the requirements for training in the retail/wholesale sector and to determine what role if any FAS should take in relation to the two sectors.

At the level of the enterprise as illustrated in the case studies there are no mechanisms to involve management and trade unions in the development and implementation of training programmes. The formulation of training policies and plans is solely the prerogative of management. Even where there are structures to involve management and trade unions in areas of mutual interest as in ESB, training issues are rarely discussed. The main issues discussed between management and staff at these forums are pay and conditions. Though employees and their representatives are not directly involved in training they have a very positive attitude to continuing vocational education. They are willing to undertake training even though there may be no prospect of promotion.

In the absence of a recognized body responsible for training in the retail sector the larger enterprises in the industry have had to develop their own internal programmes. This has been a difficult process for the larger enterprises due to the lack of retail training experts in Ireland and the lack of available training material suitable for the retail sector. The solution in many cases has been to develop their own internal experts and to customize existing training material to their own particular needs.

The lack of a recognized sectoral training body is felt most keenly by the small to medium-sized retail enterprises who are not able to afford the cost of external trainers or training material. Though there are a number of Dublin-based educational institutions providing courses for the retail sector the uptake of these courses has been largely from employees of the larger retail groups.

The larger organizations are not in favour of a training levy being imposed to fund a national training programme for the retail sector as is the practice in other sectors of the economy. They already have spent considerable amonts of money on developing their own internal training programmes and would be reluctant to contribute resources to a national training programme which might duplicate their own.

The government, in its 1986 White Paper on Manpower Policy and reiterated in the Programme for Economic and Social Progress (PESP) published in January, 1991, committed itself towards the creation of an apprenticeship system which would be based on standards rather than on time served. Under the PESP which was negotiated by the tripartite social partners, the government aimed to increase the number of apprentices in currently designated trades and to increase the number of trades to be included in apprenticeship schemes. By moving to a standards-based apprenticeship system, the method of funding would change from the present training levy system to a situation where employers in each designated sector would contribute towards an apprenticeship fund. Employers could offset their apprenticeship expenses from the fund and

the rule of the fund would be structured to make it more attractive to employers than the training levy. One possible inducement for larger employers is that apprentices would receive credits for both external and internal courses. It is likely that the retail sector will be one of the new sectors to be included in the apprenticeship system.

Some of the larger retail enterprises question the necessity for a nationally based retail training programme. They point out that when they recruit new employees the main criteria is personality. This was particularly evident in the Superquinn case study. The fact that the applicant may have undertaken a retail skills course is not a major factor in the selection process as the new recruit will be sent on the company's own training programme as a matter of course. However, it is thought that if a nationally recognized and certified retail training course was developed it would in time be supported by the larger retail companies. Such a course would allow them to concentrate on more advanced training programmes that are specific to their market needs.

4. Employment and labour

A total of 111 555 persons were engaged in the retail sector in Ireland in 1988. Of these 34 447 or 31 per cent were proprietors or family members and, of the total of 77 078 persons employed in the retail trade, some 54 152 or 49 per cent of the total numbers engaged in the industry were full-time. Table 4.1 shows that part-time workers formed 20 per cent of the total numbers engaged (including proprietors and family members) in the industry and 30 per cent of the total numbers employed.

The food, drink and tobacco retail sub-sector accounted for almost two-thirds of those employed in the retail sector as a whole with clothing and footwear and all other non-food retail outlets accounting for the remaining 11 and 24 per cent respectively. The food sub-sector is characterized by a higher than average percentage of proprietors and family workers and part-time employees than the retail sector as a whole. Thirty seven per cent of those engaged in the food sub-sector were proprietors and family workers with a further 23 per cent being part-time employees. Proprietors and family workers were particularly evident in the public house and small grocery outlet categories while the supermarket and the public house sectors accounted for the majority of part-time employees. The tobacco, sweets and newsagents (TSN) sub-sector also had a high percentage of part-time employees.

Both the clothing and footwear and all other non-food retail sub-sectors had a higher proportion of full-time employees at 58 and 67 per cent respectively compared to the sector norm. In both sub-sectors 20 per cent of all persons engaged in retail outlets were proprietors and family workers.

Nearly six thousand persons are engaged in the general drapery category of which nearly one-third were part-time employees.

The twelve retail outlets within the department store category employ a total of 3 507 persons of whom 22 per cent are part-time employees. Over four thousand people are engaged in the chemist sector though there are over one thousand retail outlets falling in this category.

As shown in Table 4.2 the majority of proprietors and family workers are concentrated in retail outlets with an annual turnover in 1987 of less than IRL 250 000. Two out of every five full-time employees are to be found in retail outlets with an annual turnover of between IRL 100 000 and IRL 500 00. The numbers of part-time employees rise in proportion to turnover with the majority of part-time employees being in retail outlets with an annual turnover of more than IRL 5 million.

The 1988 Census of Services indicates that 56 per cent of all retail outlets in Ireland had an annual turnover of less than IRL 100 000 (77 000 ECU) and only 125 or 0.5 per cent of all retail outlets had an annual turnover greater than IRL 5 million (3.8 million ECU). The outlets in the latter category accounted for 15 per cent of all persons engaged in the retail distribution sector whereas the retail outlets in the former category accounted for 28 per cent of those engaged in the sector.

Outlets with an annual turnover of less than IRL 100 000 in 1988 accounted for 63 per cent of all proprietors and family workers but only 12 per cent of all employees. At the other end of the scale the 125 outlets with an annual turnover of more than IRL 5 million accounted for 17 and 31 per cent respectively of all full and part-time employees. There were no proprietors or family workers in this category size.

The IRL 100 000 turnover cut-off point separates the outlets where the proprietor can manage with inputs from family workers from those where increasingly employees – either full or part-time – are needed.

It should be pointed out that in larger unionized outlets there may be agreements between employers and trade unions on the introduction of part-time labour. An agreement was concluded in 1985 between the grocery multiples and the Irish National Union of Vintners, Grocers and Allied Trades Assistants regarding part time labour in supermarkets. This led to a two tier pattern of part-time labour usage in supermarkets: permanent part-time workers (pro ratas) and temporary part-time workers (casuals). There was no change in the terms and conditions of casual part-time staff but permanent part-timers could be recruited provided there were granted pro rata rights. A ratio of 1:4 part time to full-time staff was instituted. Part-time workers are used primarily to meet peak demands, to provide a measure of flexibility, to cover extended hours of opening and to reduce wage/overhead costs.

A study of part-time workers in supermarkets found an equal distribution between males and females. Among casuals, nearly sixty per cent were male

Table 4.1 – Estimated number of persons engaged in all retail outlets – analyzed by status and by sector, 1988

Sector	No. of outlets	No. of proprietors & family workers	No. of employees			No. of persons engaged
			Full-time	Part-time	Total	
Food, drink and tobacco	18 239	26 497	29 020	16 737	45 757	72 254
Supermarket	433	152	10 480	7 094	17 574	17 726
Delicatessen	134	182	221	77	298	480
Other grocery	5 176	8 037	3 560	1 756	5 316	13 353
Grocery with public house	921	1 650	825	372	1 197	2 847
Public house	6 478	10 302	7 428	5 231	12 659	22 961
Off-licence	92	80	175	47	222	302
Fresh meat	1 690	1 955	2 531	357	2 888	4 842
Bread & flour confectionery	337	263	768	276	1 044	1 307
Dairy products	772	863	496	206	702	1 565
Fish and poultry	111	120	169	45	214	334
Fruit and vegetables	327	438	294	109	403	841
General country shop	79	137	349	51	400	537
TSNs	1 689	2 318	1 724	1 116	2 840	5 158
Clothing & footwear	3 202	2 600	7 468	2 724	10 192	12 792
Footwear	567	380	1 285	324	1 609	1 989
Men's & boys' wear	440	285	1 002	100	1 102	1 387
Ladies', girls' and infants' wear	1 148	915	1 921	618	2 539	3 454
General drapery	1 047	1 020	3 260	1 682	4 942	5 962
All other non-food	6 434	5 380	17 664	3 465	21 129	26 509
Chemist	1 039	917	2 751	539	3 290	4 207
Hardware	840	756	2 394	352	2 746	3 502
Electrical goods	608	295	1 532	151	1 683	1 978
Electrical goods with repairs	124	121	223	31	254	375
Furniture and carpets	611	512	1 224	189	1 413	1 925
Department stores	12	0	2 733	774	3 507	3 507
Variety stores	74	54	149	32	181	235
Leather, sports & fancy goods	576	566	694	161	855	1 421
Books and stationery	370	304	1058	287	1 355	1 659
Jeweller	425	347	976	122	1 098	1 445
Solid fuel	148	186	264	50	314	500
Motor tyres	142	57	311	29	340	397
Car accessories	163	94	393	24	417	511
Clothing fabrics, yarns and threads	213	206	288	123	411	617
Flower shops	231	252	215	53	268	520
All other non-food	858	713	2 459	538	2 997	3 710
Total	27 875	34 447	54 152	22 926	77 078	111 555
%	-	31	49	20	69	100

Source: 1988 Census of Services, Volume 1, Central Statistics Office

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Table 4.2 – Estimated number of persons engaged in all retail outlets – analyzed by status and by annual turnover of business, 1988

Annual turnover excluding VAT	No. of outlets	No. of proprietors & family workers	No. of employees			No. of persons engaged
			Full-time	Part-time	Total	
IRL 9999 or under	2108	2593	283	161	394	2987
IRL 10000 – 24999	3425	4576	404	384	788	5364
IRL 25000 – 49999	4003	5727	1139	853	1972	7699
IRL 50000 – 99999	6152	8887	3817	2042	5859	14746
IRL 100000 – 249999	7961	9842	12881	4234	17115	26957
IRL 250000 – 499999	2670	2302	10349	2951	13300	15602
IRL 500000 – 999999	960	454	7351	2392	9743	10197
IRL 1000000 – 4999999	471	96	8635	2791	11456	11552
IRL 5000000 +	125	-	9313	7138	16451	16451
Total	27875	34477	54152	22926	77078	111555

Annual turnover excluding VAT	No. of outlets	No. of proprietors & family workers	No. of employees			No. of persons engaged
			Full-time	Part-time	Total	
	%	%	%	%	%	%
IRL 9999 or under	8	7	0.5	1	0.5	3
IRL 10000 – 24999	12	13	1	2	1	5
IRL 25000 – 49999	14	17	2	4	2.5	7
IRL 50000 – 99999	22	26	7	9	8	13
IRL 100000 – 249999	29	29	24	18	22	24
IRL 250000 – 499999	10	6.7	19	13	17	14
IRL 500000 – 999999	3	1	13.5	10	13	9
IRL 1000000 – 4999999	1.5	0.3	16	12	15	10
IRL 5000000 +	0.5	-	17	31	21	15
Total	100	100	100	100	100	100

Source: 1988 Census of Services, Volume 1, Central Statistics Office

whereas the ratio of male to female was reversed for pro rata part timers where women predominated. All casual supermarket staff were single, while a minority of pro ratas were married. Casual staff were also younger than pro ratas, most were aged 20 years or younger whereas pro ratas ranged between 20 and 50 years of age. Most pro rata staff were under thirty years of age. The study cited a number of factors among supermarket multiples influencing current and future demand for part time labour. The positive factors included rising labour costs, customer demand, abolition of the marriage bar, changing trade union attitudes, requests by staff to work part-time and the granting of equal pay to women. Part-time workers were rated equal to, if not better than, their full-time counterparts in terms of productivity, absenteeism, loyalty, employee relationships, availability, training costs, wage costs, fringe benefits, supervision and use of overtime. The only negative view of part-timers compared to full-time staff among supermarkets was in terms of higher labour turnover.

It could be argued that in small retail outlets family workers take the place of both full-time and part-time employees. The principal other source of data on employment in the retail sector is the annual Labour Force Survey undertaken by the Central Statistics Office. The main methodical difference between the Census of Services and the Labour Force Survey is that in the former the owner of the enterprise completes the questionnaire while in the latter the head of private households completes the questionnaire. It has been found that where returns are completed by householders they are more prone to error.

However, the Labour Force Survey while only providing aggregrate data for employment categories does give information on male and female employment in the retail sector. The table below illustrates the changes in male and female participation in retail sector employment.

Table 4.3 shows that there have been fluctuations in the level of employment in the retail sector and in the breakdown of male and female employees. Overall employment declined from 123 200 in 1979 to 121 800 in 1985 and increased again to 126 200 in 1990. Male employment in the retail sector fell by 1 200 while female employment rose by 4200, an increase of 9 per cent.

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Table 4.3 – Male and female employment in the retail sector

	Male	Female	Total	Retail employment as % of total employment
1979	76 900	46 300	123 200	10.7
1985	74 300	47 500	121 800	11.3
1990	75 700	50 500	126 200	11.2

Source: Labour Force Surveys 1979, 1985 and 1990, Central Statistics Office

Employment in the retail sector as a percentage of total employment increased from 10.7 per cent in 1979 to 11.2 per cent in 1990.

The Labour Force Surveys also provide information on employment status, hours worked, regional distribution of workers, age profile and occupations. However, the disadvantage of Labour Force Surveys is that this information on the retail sector is aggregated with other sectors such as insurance and finance.

Data on part-time employment in the retail sector is derived from Census of Population returns and is shown in Table 4.4 below.

Table 4.4 – Part-time employment in the retail sector

Year	Number of part-time employees	Percentage of total
1977	9 267	10.8
1988	17 648	20.0

Source: Census of Population 1977 and 1988, Central Statistics Office

Due to methodical differences in the way the information was collected the Census of Population data on part-time employment cannot be directly compared with the Census of Service data on part-time employment. However, as Table 4.4 clearly illustrates, part-time employment in the retail sector is increasing. During the period 1977-1988 part-time employment rose from 10.8 to 20 per cent of total employment in the retail sector.

The Census of Service provides information from which it is possible to calculate the number of self-employed within the retail sector.

From the table 4.5 it can be seen that there were 20 113 individual proprietorships in the retail sector in 1988 which can be equated with self-employment. Individual proprietorships as a percentage of total numbers engaged in the retail sector in 1988 amounted to 18 per cent.

Table 4.5 – Retail outlets classified by legal status

	Number of outlets	Number of persons engaged	Number of employees
Individual proprietorship	20 113	51 300	20 687
Partnership	1 570	5 568	2 420
Co-operative	28	270	258
Public Limited Company	24	842	839
Private Limited Company	5 978	53 213	52 529
Other	164	360	345

Source: 1988 Census of Services, Volume 1, Central Statistics Office

5. Changing conditions and their implications for skill requirements and training

Technology

Trade sources indicate that scanning is one of the most significant developments in the grocery market noting that in 1987 only ten outlets were equipped with scanning facilities and three hundred and fifty companies were using bar-coding on their products. Estimates to date put the number of stores with scanners installed at 33 and the number of companies bar-coding their products at 500.

The Quinnsworth grocery chain lead the field in the introduction of scanning equipment and is followed by a smaller provincial chain, L&N. So far only the grocery trade has been using scanners but other sectors of the retail industry in Ireland are planning their introduction and include retail outlets in the hardware and stationery sub-sectors.

The presence of scanners at checkouts is impacting on the work performed by the checkout operators and the training provided for them. For example, because scanners allow for greater checkout operator-customer communication there is now a greater emphasis being placed on training staff in these positions in customer service and interpersonal skills.

Electronic Data Interchange (EDI) is becoming increasingly relevant now that many of the major grocery companies have introduced check-out scanning. Both Quinnsworth and Dunnes Stores are conducting feasibility studies with a small number of large suppliers and once they have implemented EDI in their stores all suppliers will be expected to follow suit.

It is common customary practice in Ireland for the supplier of electronic equipment and software to organize the training of staff in the companies purchasing scanning or EDI systems. In the larger firms, the suppliers will normally train the trainers within the client company who will then become responsible for training the rest of the staff. The smaller com-

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pany will generally rely on suppliers to organize initial training and follow-up courses. At present there is no recognized training courses for employees in scanning or Electronic Data Interchange technology.

The future is likely to see the greater use of electronic point of sale (EPOS) technology as costs decrease. One implication for human resources managers in retail companies is that EPOS technology will lead both to a reduction in staff numbers because less staff will be needed, for example in the pricing of goods on the shelves, and to a further de-skilling of sales assistants jobs as self selection did earlier. The corollary of the new EPOS technology is that it is creating the need in retail companies for new technically-oriented skills such as system designers and operators.

Legislative changes

The introduction of a Joint Labour Committee (JLC) in the newsagents, grocery and allied trades subsectors outlined in section 3 is likely to lead to employers to consider the necessity for training of employees. Up until now employee turnover in these sectors was high and therefore employers were not likely to consider the notion of training employees who might leave in the short term. The implementation of Employment Regulation Orders by the JLC will lay down minimum wage and working conditions for employees.

Trade sources predict that as a result of the JLC employee turnover will decrease and therefore employers will be more likely to consider continuing training for their staff. Another implication of the JLC for the retail sector is that it will push up costs and may drive marginal firms out of business.

Economic changes

The increasing competitive pressures within the retailing sector and slow economic conditions are causing companies to review staff numbers. This is particularly true in the non-food sector where a number of UK companies have entered the Irish market in recent years. Some indigenous retailers believe that the Single European Market will lead to the arrival in the Irish market of new entrants from Continental Europe and speculate that even US retailers may establish stores in Ireland. These factors have resulted and will continue to result in retailers reducing staff numbers to the economic minimum. Smaller staff numbers mean that sales staff must take more responsibility, use more initiative and must take on the management of stock. The move to providing higher levels of service means that the role of the sales assistant is more important. Many retailers are now realizing that people are the key to competitive advantage. Therefore the quality of staff required by retailers now and for the future is higher.

Economic conditions are on the other hand forcing retailers to reduce costs by sub-contracting many functions which were previously undertaken in-house. Functions such as butchering, merchandising and packaging are now being sub-contracted out to external companies which trade unions say is reducing the number of jobs in the sector and contributing to the de-skilling of those who remain.

Social changes

One of the major factors affecting the nature of retailing has been the greater participation of women, particularly married women, in the labour force. This has had the effect of increasing disposable household income but it has also meant that shops have had to increase their opening hours to take account of this factor. In the major urban areas the large multiple shops remain open in the evening three nights a week to faciliatate working housewifes. The smaller symbol and independents have also extended their opening hours to compete with the multiples and to gain competitive advantage are generally open for longer hours than the supermarkets.

The impact of women working outside the home has lead to a concentration of grocery shopping during the latter half of the week. For retailers this means that staff are often underutilized from Monday to Wednesday, particularly during the mornings and early afternoon. On the other hand stores need to bring in part-time employees to supplement full-time staff to cope with the peak shopping days during the second half of the week.

Another implication of women working outside the home and greater household disposable income is that there is a trend towards convenience foods and eating out. The grocery outlets have been developing their product offerings to take advantage of the trend towards convenience foods. Superquinn, for example, which was profiled in one of the case studies pioneered the development of in-store pizza kitchens in Ireland and markets other ready-made food products. All the major grocery outlets have created their own delicatessen counters which serve pre-cooked food items and have developed other specialist sections such as bakery, fresh meat and wine departments.

6. Training and recruitment

Unlike some other EC Member States Ireland does not have a legal or industry-regulated system requiring that owners or employees in the retail sector have a minimum vocational educational training. There are no rules or conditions governing entry into the retail trade. The Retail Grocery, Dairy and Allied Trades Associaton (RGDATA) estimate that 500 people go into the retail sector in Ireland every year with no business skills. RGDATA estimates that there is a ten per cent turnover in shops each year with negative effects for consumers and suppliers.

There are no restrictions on the location of new retail outlets in Ireland though planning policies may place restrictions on the establishment of out-of-town shopping developments.

Employees do not have to undergo any vocational training prior to starting a career in the retail industry. It is understood from discussions with retailers' and employers' representatives that even if there were a recognized training certificate an employer would prefer to take on recruits without any

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previous training and train them in his or her customary mode of retailing. Many of the large retail companies operate their own formal induction and continuing training courses for their staff.

Training outside of the larger enterprises is ad hoc and tends to be unstructured, on-the-job and informal. Progressive managers in smaller retail companies face many problems in providing training to their staff. One of the biggest problems is that many of the institutions which do provide training in retail skills are Dublin-based which makes for difficulty for regional retailers. A second difficulty for smaller concerns given the low margins prevailing in the Irish retail industry is finding the financial resources to pay for the high cost of external trainers. Also, in the smaller shop it is more difficult for managers to release employees for courses because there are less staff available to cover for them. The reality is that in the smaller retail outlet either the manager provides the training based on his or her own knowledge (in some of the symbol stores managers were recruited from the multiples and were able to pass on the training they had received to their staff) or no training is undertaken at all.

There is also the problem that many of the older retail owners particularly those in rural areas do not see the need or value for training.

The lack of a recognized training course for the retail sector as a whole and the absence of an - industry training body has resulted in the large companies particularly the grocery and department store sectors developing their own internal training programmes.

As there is also a lack of available retail training experts and external training programmes suitable for the retail trade, the large companies have had no alternative but to develop their own in-house training programmes. The range and quality of these internal programmes vary enormously. Some are structured using a mixture of on-the-job and classroom training, others are less formal and are exclusively on-the-job training.

Because of the great variation in training approaches used within the large retail companies it is not possible to specify the amount of expenditure on training. However, a survey of labour costs carried out by the Central Statistics Office of large enterprises in the retail sector in 1988 found that a total of IRL 7.4 million was spent on training divided between IRL 2.8 million in the food, drink and tobacco sub-sector and IRL 4.8 million in all other sub-sectors of the retail industry. The enterprises surveyed had an average annual labour cost per employee of IRL 10 565 of which 2.5 per cent or IRL 265 was accounted for by training costs.

The majority of large retail enterprises provide induction training for new staff which would cover checkout skills, cash handling and basic customer service. Continuing training of staff is chiefly the responsibility of store managers or supervisors and largely consists of on-the-job training though specialist skills.

The practice in larger retail organizations was for the provision of internal management development courses for store and area managers. However, there is a recognition that the store manager's job has become more difficult and complex, and retail companies are increasingly sending their managers on external management courses which specialize in the retail trade. As there are no advanced management degree courses in Ireland specifically for the retail trade, companies are sending staff to study at UK universities.

The development of annual training plans is well established in the bigger retail company. In the smaller retail outlet, planning for training is unlikely to be carried out in a structured way as most training is undertaken in an ad-hoc manner. However, even in the larger retail enterprises formal assessments of the training needs at an individual level are rarely undertaken. Most of assessments of staff training needs are calculated in a subjective manner by supervisors and managers. It would appear also that detailed assessments of the costs and benefits of training programmes are rarely carried out. Lack of staff and resources may be the cause of this situation but the larger companies are aware of the requirement for more formal evaluation of individual training needs and for in-depth cost-benefit analyses of training programmes. One of the companies profiled in the case study, ESB, is pilot-testing a new scheme for ascertaining staff training needs.

Trainees and apprentices in the retail trade

The retail sector in Ireland is characterized by a higher percentage of trainees and apprentices compared to other service sectors and the manufacturing sector.

The definition of trainees in the retail trade can encompass entrants to particular trades such as bakers and butchers where there is a defined apprenticeship structure and to management and staff positions. However, apprenticeship as defined in the very strictest sense has almost disappeared apart from a small number of butchers and bakers. Trainees are a feature of both the food and non-food retail outlets. In the grocery sector for example, the large multiples recruit young people, termed trainee managers, who they train as managers in short but well-structured induction programmes.

The labour costs associated with trainees and apprentices are higher in the retail sector compared with the wholesale sector and with the distribution sector as a whole. In 1988, a survey of firms with more than 10 employees in the retail sector estimated that training costs stood at 2.5 per cent of total labour costs per employee and were higher than equivalent figure of 0.8 per cent of total labour costs per employee of similar sized firms in the wholesale sector (see Table 6.1). Training costs per employee for the distribution sector as a whole was 1.5 per cent of total labour costs per employee. Training costs per as a percentage of labour costs per employee in the retail sector at 2.5 per cent was more than twice the equivalent figure of 1.1 per cent of firms employing more than 20 in the manufacturing sector.

1.

It should be noted that this 1988 survey of labour costs, undertaken by the Central Statistics Office, was confined to firms in the retail and wholesale sectors with more than 10 employees and in the manufacturing sector to firms with more than 20 employees. Because of the ten or more employee limit for the retail sector and due to the predominantly small size of enterprises within the retail sector, the vast majority of employees within the sector would not have been included in the survey. A total of 203 food, drink and tobacco retail enterprises were surveyed along with 353 other non-food retail enterprises. The survey also collected data at the enterprise level and not separately for individual establishments or branches.

The survey also showed that trainees and apprentices are a feature in the retail sector to a greater extent than in wholesaling or in other sectors such as banking and insurance. In 1988, a total of 1 248 trainees and apprentices were employed in the distribution sector as a whole of which 1 039 or 83 per cent were employed in the retail sector as shown in Table 6.2. It is estimated that the largest component of training costs per employee in the distribution sector relates to wages and salaries of apprentices and trainees rather than the cost of providing internal training courses or payments of fees for attending external courses.

Provision of training courses

The biggest problem facing the non-multiple retail outlet is access to training courses. The main provider of retail trade related courses is the College of Marketing in Dublin. This poses obvious problems for retailers in rural areas particularly those who can only afford to allow their staff to be absent from their work-places for a short time.

The College of Marketing provides a range of courses from a certificate course in retail marketing to certificate in principles of retail management. It runs a special programme, proprietorship, for family members of retail operators. The college is having discussions with Trinity College Dublin concerning a degree programme in distributive marketing management.

The courses provided by the college are for management level; there are no education programmes for entrants at general staff level.

FAS, the national employment and training authority, provides a number of retail trade related training courses. However, these courses are directed at unemployed people to help them find positions within the retail trade.

As mentioned previously the authority is presently finalizing in conjunction with the Federation of Irish Employers a modular-based training programme for sales staff entering the retail trade with modules on customer relations, sales, hygiene and safety and product knowledge.

The Vocational Education Colleges (VECs) are only minimally involved in retail trade education.

The structure of the Irish retail sector with the small size of outlets and low margins presents difficulties for both public and private organizations considering the possibility of providing training to retailers and their employees. The difficulties are compounded because of the need to provide courses in rural areas as well as urban centres. The high cost involved is likely to deter private sector training providers.

7. Issues

One of the most pressing issues in the Irish retail industry is whether there should be a national vocational education course for people working within the industry. At present only the large retail enterprises provide formal training courses in retail skills for their employees. For persons working in smaller enterprises there are few options open to them for increasing their work skills and knowledge.

Table 6.1 – Average labour costs per full-time equivalent employee and percentage distribution of labour costs in retail distribution compared with wholesale distribution and manufacturing industry, 1988

Sector	Total labour costs per employee*	Percentage distribution of labour costs				
		Wages and salaries	Social security payments		Training costs	All other costs
			Statutory	Other		
	IRL	%	%	%	%	%
Food, drink & tobacco retail distribution	9 699	85.1	9.0	2.2	2.5	1.2
Other retail distribution	11 109	83.6	9.4	3.4	2.5	1.1
Retail sector average	10 565	84.1	9.3	3.0	2.5	1.1
Wholesale distribution	16 709	81.9	8.0	7.0	0.8	2.3
Distribution sector average	13 321	82.9	8.5	5.3	1.5	1.8
Manufacturing sector average	16 020	83.0	8.1	6.0	1.1	1.7

* Part-time employees converted to full-time equivalents

Source: Labour costs survey 1988 in industry, distribution, credit and insurance, Central Statistics Office

Table 6.2 - Total employment (full and part-time) of retail and wholesale distribution firms with 10 or more employees

Sector *No of enterprises*	Full & part-time					Ap-prentices No	Total employment No
	Full-time employees No	Part-time employees No	Male No	Female No	Total No		
Food, drink & tobacco retail firms (203)	8807	4196	5450	7553	13003	468	13471
Non-food retail firms (352)	14191	7080	7302	13969	21271	571	21842
Retail sector total (555)	22998	11276	12752	21522	34274	1039	35313
Wholesale sector total (671)	22501	812	17222	6091	23313	209	23522
Distribution sector total (1226)	45499	12088	29974	27613	57587	1248	58835

Source: Labour costs survey 1988 in industry, distribution, credit and insurance, Central Statistics Office

Proponents of a nationally recognized certificate in retail skills point out that it will help employees to develop professionally and personally in their jobs. It would also lead to a greater professionalism within the industry and it would lead to greater staff mobility. Such a qualification would also be of assistance if they wished to take up a retailing position elsewhere within the community.

The arguments against the concept of a national retail certificate is that the retail sector in Ireland is so diverse that it would not be possible to cater for all the skills required by employees in these sectors. However, it is accepted that a basic course in retail skills would be acceptable to many of the social partners and that it would be up to each sub-sector of the retail sector to provide the specialist training input relevant to that sector.

The certificate course in retail skills would be organized by FAS, the national training and employment authority, or through the existing vocational education structure in Ireland. The course would ideally consist of a mixture of theory and on-the-job training.

ANNEX

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APPENDIX 1

Census of Service retail business categories

In the 1988 Census of Services publication focusing on retail distribution, the Central Statistics Office uses 37 business categories to classify retail businesses. They are as follows:

Supermarket	Outlets where general groceries and household provisions accounted for the bulk of retail turnover. To qualify for inclusion in this category an outlet had to be self-service with three or more checkout points.
Delicatessen	Outlets for which more than 40 per cent of retail sales are accounted for by delicatessen type goods and health foods.
Other grocery	Other grocery outlets (including self-service shops) not classified as supermarkets.
Grocery with public house	Outlets where 50 per cent or more of retail turnover was accounted for by general groceries, household provisions and sales of alcoholic beverages for consumption on the premises.
Public house	Outlets where 50 per cent or more of retail turnover was accounted for by alcoholic beverages and soft drinks for consumption on the premises.
Off Licence	Outlets where 50 per cent of retail turnover was accounted for by alcoholic beverages off the premises.
Fresh meat	Outlets where fresh meat sales accounted for 50 per cent or more of retail turnover.
Bread and flour	Outlets where bread, confectionery or biscuits accounted for 50 per cent or more of retail turnover.
Dairy products	Outlets where fresh milk, cream and other dairy products (i.e. cheese, yoghurt, ice cream, etc.) accounted for 50 per cent or more of retail turnover. This category also includes milk roundsmen.
Fish and poultry	Outlets where fresh fish and poultry accounted for 50 per cent or more of retail turnover.
Fruit and vegetables	Outlets where fresh fruit and vegetables accounted for 50 per cent or more of retail turnover.
Country general shop	To qualify for inclusion in this category an outlet had to have an annual turnover of at least IRL 100 000 in 1987 and have sold a wide range of goods in sizeable quantities such as: • general grocery and household provisions; • solid fuel; • domestic hardware; • domestic kerosene; • agricultural supplies; • clothing and footwear. There should have been significant sales of at least one of the last four items, particularly agricultural supplies and hardware. If 50 per cent of more of retail turnover was accounted for by general grocery and household provisions then the shop was classified as grocery; if the sales of agricultural supplies exceeded half of the total turnover, then the outlet was classified to wholesale trade.
Tobacco, sweets and newspapers	Outlets where 70 per cent or more or retail turnover was accounted for by sales of cigarettes, tobacco, chocolates, ice cream, newspapers, periodicals, etc., and where there was at most 10 per cent of sales of general grocery and household provisions. If 80 per cent of retail turnover related to books, periodicals, stationery, etc., the outlet was coded under the category books and stationery.
Footwear	Outlets where footwear accounted for 50 per cent or more of retail turnover.
Men's and boys' wear	Outlets where men's and boys' clothing accounted for 50 per cent or more or retail turnover. If ladies' wear accounted for 10 per cent or more of retail turnover the outlet was coded to the category general drapery. Outlets specializing in men's and boys' wear and footwear were classified to this category if footwear accounted for less than 50 per cent of retail turnover.
Ladies', girls' and infants' wear	Outlets where ladies', girls' and infants' wear accounted for 50 per cent or more of retail turnover. If men's wear accounted for 10 per cent or more of retail turnover the outlet was coded to the category general drapery. Outlets specializing in ladies', girls' and infants' wear and foot wear were classified to this category if footwear accounted for less than 50 per cent of retail turnover.
General drapery	Outlets not falling into any of the above specialist clothing and footwear categories were classi-

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fied to this category if drapery items (excluding uncut materials) accounted for 50 per cent or more of retail turnover with significant sales (at least 10 per cent of retail turnover in each case) of ladies' and girls' wear and of men's and boys' wear and such items as uncut material, bed linen, etc. However, if there were significant sales of furniture, soft furnishings, etc., the outlet was classified to the category other non-food.

Cycle shop* — Outlets where the sale, repair and servicing of pedal cycles and mechanically propelled cycles of all kinds (e.g. motor cycles, scooters, mopeds, etc.) accounted for 50 per cent or more of retail turnover.

Filling station* — Outlets where petrol and oil accounted for 80 per cent or more of retail turnover with no motor vehicle sales. Where the only items sold were non-garage items e. g. sweets and groceries the 80 per cent condition was reduced to 50 per cent.

Repair and service garage* — Outlets where 50 per cent of more or retail turnover was accounted for by repair and servicing of motor vehicles and by the sale of petrol and oil with, possibly, a limited amount of vehicle sales (not exceeding 20 per cent of total turnover).

Motor vehicle sales* — Outlets where motor vehicles accounted for 20 per cent or more of retail sales.

Chemist — An outlet where sales of drugs and medicines on prescription accounted for 50 per cent or more of retail turnover. Most outlets in this category also dealt in toiletries, photographic and optical goods, etc.

Hardware — Outlets where 50 per cent or more of retail turnover was in respect of domestic hardware, china, decorators' supplies, garden implements and other hardware.

Electrical good — Outlets where 50 per cent or more of retail turnover was in respect of electrical goods (television sets, radios and other electrical goods and fittings), but having only a limited amount of repair and service activity (less than 20 per cent of total retail turnover).

Electrical goods with repairs — Outlets with significant sales of electrical goods and also engaged in substantial repair and service activity (between 20 and 50 per cent of turnover). Outlets involved mainly in repair are not included.

Furniture and carpets — Outlets where 50 per cent or more of retail turnover was in respect of furniture, bedding, floor covering, household textiles and soft furnishings. Outlets also selling clothing in significant quantities were coded to the category Other non-food.

Department store — To qualify for inclusion in this business category an outlet had to satisfy the following criteria:
- at least 10 per cent of retail turnover accounted for by each of these commodity groups (I) clothing and footwear and (II) furniture, floor coverings and other household textiles and soft furnishings with, in addition, substantial sales of a number of other commodities;
- at least 50 persons employed;
- selling space of at least 15,000 square feet;
- not more than 25 per cent of the store's retail turnover in respect of general turnover and household provisions.

Leather, sports and fancy goods — Outlets where 50 per cent or more of retail turnover was in respect of leather and sports goods, fancy goods, souvenirs, toys, etc.

Variety goods — Outlets which sold a very wide range of goods including in particular sports goods, toys, leather and fancy goods.

Books and stationery — Outlets where 80 per cent or more of retail turnover was in respect of books, stationery, periodicals, office supplies, etc. If there were substantial sales of sweets and tobacco the outlet was included in the category Tobacco, sweets and newspapers.

Jeweller — Outlets where 80 per cent or more of retail turnover was in respect of the sale and repair of watches, jewellery, etc. Outlets involved solely in repairs were excluded.

* Excluded from current study.

Solid fuel	Outlets where 50 per cent or more of retail turnover related to coal, coke, turf, etc.
Motor tyres	Outlets where 50 per cent or more of turnover was accounted for by tyres.
Car accessories	Outlets where car accessories accounted fro 50 per cent or more of retail turnover.
Clothing fabrics, yarns and threads	Outlets where 50 per cent or more of retail turnover was accounted for by clothing fabrics, yarns and threads.
Flower shops	Outlets where 50 per cent or more of retail turnover was accounted for by flowers, wreaths, etc.
All other non-food	Retail outlets for which 50 per cent or more of retail turnover is accounted for by non-food items and which were not classified to any of the other retail business descriptions.

PART 2:

1. Clerys
2. E. S. B. (Electricity Supply Board)
3. Marks & Spencers (Ireland) ltd.
4. Superquinn

1. CLERY & COMPANY (1941) LTD

1.1 General description of the firm

1.1.1 Facts about Clery's

Clery's is a family-owned department store with one location in the heart of Dublin city[1]. The store recently celebrated its 50th birthday. Clery's sells a wide range of clothing and household goods (no food) and has approximately thirty concession stores (employing approximately 180 people) within the building. Over the last three years the store has undergone a fundamental change, bringing in a new young management team with determined ideas about changing and improving Clery's rather staid image. The store is now focusing on a consumer profile aged 25–44, primarily female. Accordingly it has recently opened an in-store creche and a hairdressing salon. The younger customers 16–24 are increasingly attracted to the store by the concession shops, (Miss Selfridge etc.). High on the management agenda is a significant investment in the training and development of staff with an emphasis on customer relations and

Table 1 – Training Undertaken by Marks & Spencers, Cork 1991/1992

Course	Location	No. of Staff	Length of Programme
Management courses			
1. Divisional deputy managers conference	Scotland	2	3 days
2. Divisional management development course	Bath	1	5 days
3. Disciplinary commercial workshop	Scotland	1	2 days
4. Assessment centre training	Scotland	1	1 day
Supervision			
1. Sales floor standards & presentation	Cork	7	1 day
2. Foods commercial workshop	Scotland	2	3 days
3. Textiles commercial workshop	Scotland	2	3 days
4. Managing change course	Cork	7	2 days
5. Managing change course (deputy supervisors)	Cork	10	1 day (May '92)
6. Time management	Cork	10	1 day
7. communication & presentation skills	Cork	10	1 day
8. Working with assertiveness	Cork	10	1 day
Main general staff training			
1. Textiles & food workshops	Cork	50-60	half day
2. New technology training	Cork	60	1.5 days
3. New commercial documentation	Cork	60	1 hr. per person
4. Sales assistants trained in stockroom	Cork	4	2 days per person
5. Till procedure update	Cork	50-60	half hr. per person
6. Health & safety	Cork	all staff	half day
7. Theft & loss	Cork	all staff	half hr. per staff
8. Quality service	Cork	all staff	half hr. per staff
Attachments			
Food supervisor	Glasgow store		3 weeks
Food deputy supervisor	Harrow London		2 weeks
Training co-ordinator	Perth		1 week
Catering deputy supervision	Bristol/Cork		3 days

[1] As Clery's has only one outlet this case study does not isolate one particluar store but presents the information on policy and practice together for the one outlet.

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staff/management team work. Given the age of the store it is not surprising that many staff are aged 50 + with over thirty years service – many of whom have never worked anywhere else. Motivating and encouraging staff to participate in training has been a major challenge for Clery's new management team.

1.1.2 Business strategy and management style

The senior management team has developed a ten year business plan with a detailed five year programme of action. Major items on the agenda are:

- a move away from a 'low' price to a 'quality/service' image with customer service identified as the main competitive advantage,
- computerization of stock linked to sales,
- more service departments,
- upgrading staff and management skills.

A major programme of investment to modernize and rationalize the store is being undertaken, complemented by a significant investment in staff training. Skills, staff development and succession planning are seen as the key to the successful completion of this long-term plan.

A philosophy for the store of the "best standards in retailing" is being promoted. It is recognized that in many cases progress must be made from a relatively low standard of basic education and training. This situation must be taken into account in planning and developing training initiatives.

Management style is increasingly open and team-based with information spreading down the structure. Departmental managers, having recently completed a two year training programme, will be given more responsibility and autonomy and will be encouraged to 'network' more. Job enhancement for all staff is seen as a vital goal as promotion opportunities are very limited.

1.1.3 Structure of firm

Clery's is a privately owned limited company. Mrs Guiney, the founder's widow and current chairman holds fifty-one per cent of the shares; forty members of her extended family hold the remainder. Mrs Guiney, a lady of advanced years but still very active in the company, has established a trusteeship to prevent the store being sold for twenty-five years after her death. (Ownership includes the store building and adjoining land, a site of very high commercial value). Table 1 shows how the company is currently structured.

1.1.4 Human resources

1.1.4.1 Employment

The store has only one outlet which currently employs approximately 320 people – 200 sales and 120 non-sales staff. The company payroll is about £5 million. Employment has fallen from approximately 850 in 1983 to its present number, due primarily to increasing self-selection of products by customers. Information technology has contributed somewhat to the fall, through natural wastage. However, new technology is generally seen to have enhanced skills and made jobs more attractive.

1.1.4.2 Employment statistics

Gender of staff

	All staff %	Buyers	Department managers
Male	44	36	27
Female	56	64	73
Total	100	100	100

Age of Staff

	No.	%
Under 25	2	1
25 - 55	231	72
over 55	87	27
Total	320	100

Years of service

Years	%
0 - 2	12.2
3 - 4	9.8
5 - 6	12.2
7 - 8	4.9
9 - 10	17.1
11 - 12	7.3
13 - 14	7.3
15 - 16	2.4
17 - 18	2.4
19 - 20	4.8
21 - 30	9.8
31 - 40	9.8
Total	100.0

Wages 01/10/91 under the Programme for Economic and Social Progress

	IR£
Year 4 Sales assistant (lowest current level)	154.88
Year 5	158.40
Year 6	165.74
Chargehand	177.97
Allowance	15.24
Departmental manager	175.56
Allowance	15.39
Part-time staff	103.86
Allowance	9.55
Register money	4.65
Productivity allowance	15.24

1.1.4.3 Part-time employment

Currently only twenty three sales staff in Clery's are permanent part-time workers – representing less than ten per cent of total permanent employment. This low level of part-time working relative to other retail establishments is seen to create commercial difficulties for management in a business where demand peaks on a daily and a seasonal basis. The high percentage of full-time staff reflects the length of time Clery's has been trading and the long length of service of many staff. A number of voluntary schemes are in operation to reduce full-time staff numbers – early retirement, voluntary redundancy, leave of absence etc.

1.1.4.4 Gender

Thirty-six per cent of buyers and thirty-seven per cent of departmental managers are women; one of the senior management team is a woman and the store is owned by a woman. All part-time employees are women. Special efforts are seen to be required to encourage more female staff to apply for promotion.

1.1.4.5 Recruitment

All recruitment at the current time is for temporary seasonal employees. No recruitment of permanent staff has taken place in the last year and none is planned.

1.1.4.6 Summary of employee profile

In summary, employees have the following profile:

- fifty six per cent female,
- twenty seven per cent aged over 55 (only 2 employees are under 25),
- mixed educational levels, depending mainly on age,
- twenty per cent have over twenty years service, while twelve per cent have 2 years or less,
- less than ten per cent are part-time workers,
- absenteeism and turnover are low at under 5%,
- wages are standard for the sector Year 4 sales staff, the lowest grade currently in the store, earn IR£ 154.88 per week for a 37.5 hr. week,
- wages are supplemented by commission of 1.25 per cent of sales.

1.2 Training policy

1.2.1 Training strategy

1.2.1.1 Aims of the company

The following are the agreed aims in relation to staff training and development in the store:

- Identify the broad training needs for the major groups of staff.
- Draw up a three to five year training plan based on this identification of training needs.
- Identify appropriate training programmes to meet these needs.
- Outline training methodologies for these programmes.
- Examine resources (both external and within the company) to mount training programmes suited to on-going requirements.
- Examine management training needs across the organization.
- Recommend a method to manage long term potential.

Currently the training manager is responsible for identifying broad areas of training need, arranging courses/programmes and encouraging staff to attend. However there are plans to delegate more of this activity to line managers. Staff are also encouraged to engage in any type of external night courses with funding available up to 100%, depending on degree of relevance to the business.

The approach taken towards staff training is one of incremental change. Staff are encouraged to participate in training. Old attitudes of suspicion and distrust are being broken down by example. Training successes are seen as the key to encouraging all staff to undertake training. One of the principal objectives of training is to broaden staff's experience. Many sales staff have no experience or appreciation of other areas of the business apart from sales. Training is geared to changing this narrow focus.

1.2.1.2 Future training priorities

Major issues for the future in relation to staff training and development are:

- to instill in all staff an attitude of responsibility for their own career and development needs.
- to become less reactive and more proactive in anticipating training and development needs.

Training priorities for the next two years are:

- product knowledge training (mandatory for all sales staff),
- basic functional skills training (mandatory for all staff),
- courses to meet individual needs (optional) agreed between the individual and their line manager,
- development courses (selected at appraisal time in conjunction with line manager).

Training will, increasingly, be identified jointly by the line manager and the staff member concerned, with staff being encouraged to assess their own performance, to draw up career plans and to develop to their full potential. As stated above, Clery's have identified the development of existing staff, many of long years service, as a key element in ensuring the future competitiveness of the store.

1.2.2 Training structure

1.2.2.1 Responsibilty for CVE

Up until two and a half years ago there was no training department in Clery's and no formalized training system. Following the appointment of a new personnel/training manager with many year's experience in both the industrial and services sector, this has now changed. Supported by senior management a concerted drive to foster and encourage training has begun. The training manager is a member of the senior management team. She has no staff in the training section of her department. She is also responsible for personnel and industrial relations in the store.

1.2.2.2 Identification of training needs and evaluation of training

The training manager identifies broad areas of training need through annual interviews with all the

store's buyers who advise on the training and development needs of sales staff. This process has identified an urgent need for product knowledge training as well as a range of other individual training needs. During these interviews staff problems are also raised and tailor-made programmes, plus counselling if required, is arranged to solve specific problems.

In 1991 performance appraisal was introduced for all staff down to departmental manager level. Identifying individual training needs and reviewing training undertaken is a key element of the appraisal.

Evaluation of training is qualitative, based on an assessment of whether or not performance has improved following training. While the training manager accepts that more formal evaluation would be desirable, the view has been taken that form filling etc. should be kept to a minimum while positive attitudes to training are being developed among staff. No formal cost-benefit analysis of training is undertaken.

However, external training programmes undertaken by individual staff members are formally assessed with all participants being asked to fill in a form evaluating the course taken, its relevance, suitability etc.

Investment in training is seen as a long term investment in staff, the benefits of which must be assessed in relation to its long term effect on competitiveness and company profitability.

1.2.2.3 Training budget

The training manager has a training budget of £35,000 split approximately 50/50 between sales and non-sales staff. All of this budget is currently being spent on continuing training as no new staff are being recruited. This represents 0.7% of payroll costs.

1.2.3 Impact of new technology

New technology, particularly at the point of sale, is regularly being introduced into the store. This technology is considered to have improved the quality of salespersons' jobs, to have enhanced their skill levels and to have improved the environment within which they work. Further investment in the most up-to-date cash registers is planned – particularly EPOS – and there will be an on-going requirement for training in this area. Over the years the introduction of such technology has contributed towards the lower level of staff required in the store.

1.2.4 Participation of social partners

A number of unions represent staff in Clery's. Both SIPTU (Services, Industrial and Professional Technical Union) and IDATU (Irish Distributive and Administrative Trade Union) represent sales, clerical and display staff, while another branch of SIPTU represents porters etc. Craft unions represent the small number of craft workers employed in the store. There are no formal agreements to cover the training area. Formal agreements deal only with pay and conditions.

1.2.5 Description of major programmes

1.2.5.1 Induction training

Induction training programmes are run in-house for all new staff – a half day in length with follow up sessions with the training manager. Induction training is provided for all temporary employees (recruited around the Christmas period). With no recruitment of permanent employees into the store at the present time induction training is currently not a priority. The priority is for updating the skills of existing employees, many of long years standing.

1.2.5.2 Continuing training – general staff

As stated above, continuing training of staff, many with long years of service, is the key training priority in Clery's. Over the last two years the major training programmes for staff have covered:

- sales training,
- training on new equipment,
- customer relations training,
- supervisory training.

Training needs are mainly met in-house using external consultants, complemented by attendance at external programmes. Appendix 1 gives a listing of the main training programmes undertaken in the last two years. This shows the wide range of training being undertaken in Clery's.

Efforts are made to vary programmes and to offer training that will have immediate appeal and be fun to learn. For example – grooming for sales staff, demonstrating new computer games, fire fighting for all staff, security seminars, etc. 'Core' training programmes for which there is an ongoing need cover topics such as register procedures, product knowledge, customer service, buyer familiarization, etc.

A tradition of training is becoming embedded in the store. Attitudes have already begun to change with staff asking "why am I not on a particular programme?" instead of, "Why am I being picked out for training?"

As well as formal training programmes staff are encouraged to participate in external educational courses. A small number of staff are currently pursuing such courses.

1.2.5.3 Continuing training – managers

Two initiatives have been introduced over the last two years aimed at improving management skills and at ensuring an in-house supply of new management material.

These are:

- *A two year programme of workshops for departmental managers* aimed at improving their leadership, communication and staff management skills and at increasing their flexibility and mobility.
- *A two year staff development programme* for selected staff to prepare them for management positions (this programme is discussed in detail below) and to encourage mobility across different departments.

1.2.5.4 Example of a major training initiative in Clery's: The staff development programme

This programme is aimed at developing future in-store managers from existing general staff. A comprehensive selection system is used on this programme with staff members applying and being selected through a series of interviews. Five people, three men and two women, were chosen for the first programme in 1990. This programme will run for two and half to three years.

The programme takes the following approach:

- 2–3 internal placements in the store (six month placements in a management position in different departments). Placements are agreed between the participant and the training manager.
- Attendance at external courses (management, marketing, computers etc.) which are agreed with the training manager.
- Appointment of a mentor for each participant to guide them throughout the programme.
- Regular meetings with the training manager to discuss progress
- Clery's bearing the full cost of the programme.

The benefits of the programme, now in its second year, are seen by the participants to be in areas such as;

- broadening experience,
- improving motivation,
- raising confidence,
- preparing for promotion.

While promotion is not guaranteed following the programme, both management and participants are confident that participants will achieve promotion over the next couple of years.

Other direct benefits of the programme, its perceived success has enhanced the status of training within the store. A greater number of staff are now keen to participate in similar programmes.

1.3 Evaluation

1.3.1 By the firm

FAS, the National Training and Employment Authority, has provided a significant amount of training for Clery's staff. This training has been viewed very favourably by both management and staff. However, one of the major problems facing Clery's training manager is the limited availability of training material and/or programmes in Ireland specifically for people employed in the retail sector. Certification of retail skills training is not generally available. More formalized training for all levels of entrants to the retail sector is considered desirable. Suitable external management courses of a general nature are considered to be available when required.

1.3.2 By employees and their representatives

The new senior management team in Clery's has a very positive attitude towards staff training and development. For them, investing in training is an integral part of a long term strategy for competitiveness and greater efficiency in the store.

Staff attitudes to training are changing. In the past a fear of change resulted in some staff being suspicious of training and development. Efforts are being made to create a culture where staff are not afraid to try new things and are not penalized for failure. All staff are encouraged to take part in training and external educational courses. As a result attitudes are changing with more staff coming forward each year to avail of training. A gradual long term process of change and development is taking place in Clery's.

Unions are supportive of management's efforts to increase the amount and type of training available to staff. There are no areas of substantive disagreement between management and staff in relation to training matters.

Union representatives believe it would be beneficial for management to present a long term training plan to staff in Clery's. They consider that this would assure staff of management's commitment to the long term development of the store's employees.

1.3.3 By the author

- Clery's represents a department store going through a process of significant change in order to cope with the more competitive environment of the 1990's.
- Retraining and developing existing staff is a key element in the store's strategy for greater competitiveness.
- The long years of service of many staff presents a major challenge to trainers. Such staff must be encouraged to avail of training in a non-threatening environment. Managing change is a key training need.
- The new training department in Clery's has initiated a major training programme for the store. Particular attention is being paid to broadening staff's skills and experience and to developing selected staff for promotion.
- Attitudes towards training have become more positive in Clery's as more training has been made available to staff in recent years and as management commitment to training has been clearly demonstrated. As a result, staff have become better motivated and confident and are keen to develop their own skills through training.
- For the future, both line managers and staff are being encouraged to take greater responsibility for their own development and that of their staff.
- The presence of concession stores within Clery's has had a positive effect. It has attracted more young people to shop in the store and has increased staff awareness of business imperatives.

1.4 Conclusion

- Clery & Co. is a store going through a process of considerable change to meet the more competitive environment of the 1990's. The store is committed to improving quality and customer service and to developing a more 'up market' image. This strategy has brought skills and training to the forefront of the store's agenda over the next five years. Staff development is now perceived as vital for the future success of the store.

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- While much progress has been made to regenerate the store, a number of further developments are required. Line managers and individual staff must become more responsible for their own development. More individually-based approaches to the identification of training needs must be developed. These changes would result in less direction from the training department and more from individual line managers. The management in Clery's is aware of these requirements and is moving in this direction.
- Currently the training department in Clery's has very limited resources in terms of both human resources and back up training material. To develop Clery's staff development programmes it will be necessary to increase such resources – either in-store or through increasing availability of traning supports from the external education and training system.
- The current lack of any integrated back-up training support for retail stores in Ireland increases the difficulty stores like Clery's face in developing their training programmes. Such back-up support is urgently required.
- Key skill needs for staff in the retail sector as evidenced in Clery's are product knowledge, new technology, and customer relations. These skills are constantly changing and therefore create an ongoing training need.
- There are currently no formal systems in place for identifying general staff training needs, nor for evaluating training at any level. Stores like Clery's require assistance in developing these systems if they are to maximize their returns on training investment.
- The unions currently have no formal role in staff training. There appears to be little perceived need for change in this area. Nevertheless the creation of an agreed long term training plan for all staff would appear beneficial in developing the positive attitude and commitment to staff training which is required to prosper in the competitive environment of the 1990's.

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APPENDIX 1

2.

Listing of main training programmes undertaken in Clery's in 1990 and 1991

1990
Quality customer service (all sales staff)
Safe manual handling (Porter etc.)
Keyboard skills (office staff)
Security seminars
Buyer familiarization
Lift release course
Driving skills
First aid
Fraud prevention
Grooming
Planning for retirement
Training for the store's creche
Managing people effectively

1991
Women in business
Management skills (departmental managers)
Telephone skills
Counselling Skills (store's nurse)
Legislative changes
Business ethics
Consumer legislation
Supervisory management

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2. ESB (Electricity Supply Board)

2.1 General description of the firm

2.1.1 Major facts about ESB

The Electricity Supply Board (ESB) is Ireland's national electricity generating and distribution company. It was established in 1927 and is a state-owned monopoly. It is one of Ireland's largest companies employing 9 733 people. ESB operates twenty two power stations and uses a number of sources to generate electricity including hydro-electricity, coal, gas, oil and peat. The company is also conducting experiments with the generation of electricity by harnessing wind power.

In 1990 ESB had a turnover of IRL 800 million and generated a surplus of IRL 1.6 million. The buoyancy in the Irish economy in 1990 was reflected in the demand for electricity that increased by 5.4 per cent compared with 5.2 per cent in 1989. Growth in demand is welcome in most industries and no less so in ESB where it brings increased revenue and positive company morale. Excessive growth, however, has a down-side for ESB in that major new borrowings become necessary to finance the construction of new facilities.

ESB has recently diversified into a number of ancillary areas including overseas consultancy work with particular regard to the development and operation of electricity generating stations, fish rearing and farming and the sale of electrical appliances. ESB has been involved in the sale of electrical appliances since it was established. Originally it was the only source for such appliances. Since then ESB has been a market leader – setting standards and promoting efficiency. It is the continuing vocational education in this ESB retail shops that will be the focus of this case study.

ESB operates some 105 retail outlets which sell electrical appliances including both white goods (cookers, refrigerators, freezers, etc.) and, increasingly in recent years, brown goods (televisions, video-players, hi-fi equipment, etc.). As a further development in the brown goods area ESB has recently started to sell home computers and is the first electrical appliance retailer to market these products.

The market of electrical appliances has been one of the growth sectors in the Irish retail industry. One of the main reasons has been the reduction of Value Added Tax (VAT) on electrical appliances from a high rate of 35 per cent in the early 1980s to just 21 per cent presently.

Competition is intensive within the electrical appliance sector and the sector is dominated by a small number of large companies. ESB is the largest electrical appliance retailer in the country and is followed by three privately owned companies all of whom are Dublin-based. The market share held by other outlets is considered small. There is considerable friction between the private sector retailers of electrical appliances who believe that ESB is abusing its monopoly position.

There are a number of special features which make ESB electrical appliance outlets different from the private sector retailers. The first is that ESB shops are also locations where customers can pay their electricity bills which are charged every two months. Approximately forty per cent of customers pay their bill in person at ESB shops. All shops have facilities for customers to pay their electricity account. In many of the larger towns there is a considerable number of potential purchasers of electrical appliances passing through the ESB shop which could give ESB an advantage over its rivals in the sale of such appliances. In addition, however, there are 25 – 30 small shops throughout the country which are not viable in terms of appliance sales and exist as a service to the local community.

The second special feature is that ESB is able to allow customers to spread the purchase of an electrical appliance on their electricity bill. Customers have an option of paying for the item in cash or spreading it over a number of months or years. Many of the items on special offer in ESB shops are advertised with the bill received by each customer. Because of their central computerized billing system, ESB shops are able to evaluate whether a customer is credit worthy.

Under pressure from the private sector electric appliance retailers the government has sought to restrict the facility whereby ESB could allow customers to pay for items bought over their electricity bill. However, a hostile public response quickly caused the government to back down. ESB has consistently pointed out that for many high value items such as television sets the ESB method of billing i.e. using the electricity bill, is less expensive to customers than using a private sector television rental company. As such, the the ESB argues that their billing method actually favours the lower paid sections of the community who might otherwise have to pay more for electrical goods.

Virtually all of the major retailers of electrical appliances in Ireland are Irish-owned. The growth in the Irish electrical appliance market has attracted the interest of a number of overseas companies. To-date, however, this interest has not materialized into actual presence in the market. It is known that large UK discounting operations such as Currys and Dixons could enter the Irish market starting with a flag-ship store in Dublin and then branch out to other cities. Such a strategy has already been adopted in the Irish music record and cassette market by new entrants from the UK.

2.1.2 Business strategy

ESB is headed by a twelve member board, some of whom are appointed by the government and some of whom are elected directly by the staff of ESB. The chief executive of ESB who is also a board member has seven functional directors reporting to him: personnel, generating and transmission operations, new business investment, finance, corporate services, customer operations and company secretary.

The board of ESB is responsible for deciding the strategic direction of the organization and the implementation of strategy is the responsibility of the chief executive and his functional directors.

2.

The ESB board has recently submitted a strategic document to the Minister for Energy who has statutory responsibility for ESB. The document, entitled "Connecting With The Future" describes the strategic direction ESB will follow at least until the year 2000. It is primarily concerned with promoting maximum efficiency in the generation, transmission, distribution and usage of electricity to limit growth in demand to the level which is necessary to support national, economic and social development. The guiding strategy is known as Demand Side Management and its objective is to achieve an annual growth in electricity demand of around 3 per cent. If this can be achieved over the long term the benefits to the country will be very substantial both in protecting the environment, in curtailing borrowing to build new plants and in maintaining electricity prices at levels which are competitive in the European Community.

2.1.3 Structure of the firm

ESB is divided into six operating regions each of which is under the control of a regional manager. The regional managers in each of the six regions report to the director of customer operations. Head office provides support services to the regions and liaises with regional staff in the preparation of policy and in the establishment of targets. One of those reporting to the regional manager is a marketing manager who has a number of responsibilities including energy marketing, sales of electricity to industrial, commercial and domestic users, and the operation of the retail shops. Table 1 provides information on the six regions and table 2 illustrates the typical structure of ESB in each region.

In each region the marketing manager has an appliance sales controller reporting to him who is also responsible for the sales function in the shops. All shop staff (full-time, part-time and relief staff) whose sole responsibility is selling report to the appliance sales controller.

The larger shops normally have sales staff who deal exclusively with appliance selling. In addition there are clerical assistants who deal with payment of electricity accounts, telephone queries, customer enquiries and provide backup to the sales professionals and the areas supervisors.

In the smaller shops sales and cash handling is carried out by area clerical officers who rotate the cash handling and appliance sales functions. All the clerical officers report to the accounting manager.

Within the regional-based structure of the retail shops, the head office departments provide services such as centralized buying, promotions, stock control and distribution. Continuing vocational education services to ESB retail shops are provided by two head office sources, the training and development department and the training unit within the marketing department.

2.1.4 Human resources

2.1.4.1 Employment

Within ESB retail shops there are 15 people in headquarters and an area sales controller in each of the six regions. There are 62 full-time sales staff. There are approximately full time 200 area clerical officers who combine cash collection, handling customer queries and sales as part of their normal duties. The area clerical officers are mainly found in the smaller shops.

2.1.4.2 Employment statistics

Of the 62 full-time sales staff, 23 are male and 39 are female. The age distribution of the full-time sales staff is as follows:

Age category	%
20 - 29	4
30 - 39	21
40 - 49	17
50 - 69	16
60 +	4

Source: internal ESB records

While no statistics are available for the electrical appliance retail trade as a whole, it is believed that employees in the private sector firms are more transient whereas staff turnover in ESB retail shops is low. The management of ESB understand that employees in ESB shops are paid a higher basic salary than their counterparts in the private sector.

2.1.4.3 Gender

As noted above, females account for a majority of the full-time sales positions. Thirty nine of the sixty two of full-time sales staff in ESB retail shops are female. In addition, approximately 75 per cent of the area clerical officers are female.

The implementation of equality of opportunity for women throughout ESB continues to be a management priority. ESB has had a formal policy of equal opportunity for several years, and in 1985 ESB was amongst the first of the major businesses in Ireland to appoint its own Equal Opportunity Officer. In 1990 the management of ESB invited Dr. Mary Redmond, an authority on labour law and equal opportunity, to chair a review group of young men and women within ESB to examine and report on the present reality of equal opportunity for women in the organization. The review group consulted extensively with staff, unions and management and submitted a comprehensive report and recommendations. ESB has accepted all of the group's recommendations and is implementing them.

2.1.4.4 Part-time employment

In addition to the sixty two full-time sales staff there are approximately 100 part-time sales staff who cover busy periods such as weekends and provide holiday relief.

2.1.4.5 Recruitment

It is important to note that the majority of the personnel who work in the retail shops entered ESB as clerical officers i.e. ESB did not recruit people with sales or marketing backgrounds directly for the shops. While in recent years the in-take of clerical assistants has declined the average qualification of new

recruits has increased with a number having third level qualifications. In the past the most common qualification for a clerical officer was to have completed the Leaving Certificate.

Within ESB retail shops the most common career path is for clerical officers to apply for a cashier position within the shops. Then if the clerical officer shows aptitude for dealing with the public and wants to progress as a salesperson, he or she is given a trial period on the sales floor. Should the area sales controller find the clerical officer satisfactory during this probation period, that person would be promoted to salesperson. In time he or she could be promoted to senior salesperson, though this latter position is only found in the large shops. The senior salesperson, where the post exists, generally acts as store manager but this is not reflected in their job title. The position above senior salesperson is the area sales controller. However, the personnel in the shops may also have come not from the clerical officer grades but from technical positions within the company. A number of the salespersons working in the retail shops at present started off their career in ESB as trainee electricians.

It is also possible for a staff member of ESB appliance shops to apply for another position throughout ESB such as in one of the electricity generating stations or in ESB's international consultancy subsidiary.

2.2 Training policy

2.2.1 Training strategy

ESB makes substantial investments in the development of staff so that employee's talents and skills may be used to the best advantage of the person and the company in the interests of better service for the customer. In 1990 ESB as an organization spent IRL 12 million on staff training and development. As well as providing for all of the ongoing training needs of a complex nationwide business ESB is now putting in place new arrangements to sharpen the focus of staff development and to make it available to the entire workforce.

As one of these new arrangements, ESB is piloting a number of Learning Centres with the intention that these centres would have available a wide range of training material to which staff members could have access. These centres are a new departure for ESB and they are open during both business hours and after hours. One of the locations chosen for the pilot programme, a power station in the middle of the country, was selected because of the absence of a vocational training college nearby. There are three such Learning Centres being piloted at present. Staff members of ESB will be free to borrow courses in a wide range of media such as video, audio-visual and manuals in an equally wide range of subject areas from welding to planning for retirement. Each Learning Centre has a wide range of marketing and sales training material which could be used by the staff in the retail shops though it should be emphasised that the material is general in nature and does not specifically relate to the retailing of electrical appliances. However, it is anticipated that the area sales controllers will use the material in the Learning Centres in informal sales training programmes for staff members.

The Learning Centres have only been on trial for five months but the results available to-date show a very high level of usage. If successful, ESB plans to extend the number of such Learning Centres in order that no employee will be more than a twenty minute drive away. The Learning Centres are seen as a way by which ESB can cope with the anticipated demand for training courses as articulated in both the business plans and in the individual training needs analysis. The Learning Centres also have a number of computer-based training (CBT) programmes. The training unit within the marketing department is aware of the potential for CBT. An analysis of the CBT continuing vocational education packages on the market has identified a number of potentially useful sales and marketing and general electrical safety programmes which could be used by the staff in the retail shops. Consideration had been given to disseminating such CBT courses through the computer system installed in the larger shops. However, it appears that the existing computer system is not capable of transmitting CBT material though future enhancements and up-grading of the system will allow for such transmission. Once CBT is available in the shops the training unit in the marketing department intends using the system to provide product knowledge courses which the staff members can access during slack moments.

ESB believes that work experience and training programmes are important for the development of staff. It also believes in the importance of education support especially when it takes full account of the career development plans of staff as well as ESB business needs. ESB has introduced the Education Support programme which applies to all members of the organization, irrespective of category. The programme reflects the dual involvement of the individual and the company in the learning process.

The Education Support programme allows members of ESB to attend a course or study for an approved qualification. The programme specifies that the course must be relevant both to ESB and the individual's personal development and furthermore that the course must be done on a part-time basis and be examined by an approved institution. Where an individual is approved under the Education Support programme ESB will provide advance of fees, refund of course fees on successful completion of examinations and examination leave with pay.

Under the Education Support programme the staff in ESB retail shops could, for example, study for a professional marketing degree from the Marketing Institute of Ireland or undertake an open learning course. The training and development department has urged all managers in ESB to interpret the guidelines for the Education Support programme liberally. The department wanted to ensure that if an employee had been out of education for some time and that even if they only wanted to attend a night class related to their hobby – and by implication not of direct benefit to ESB – that they would be sup-

ported by the programme. In this way the training and development department reasoned, the individual's interest in learning would be stimulated and perhaps he or she would be then be encouraged to undertake a more advanced, work-related course.

2.2.2 Training structure

The training function within ESB has undergone fundamental change since 1990; previously the training function was scattered throughout the different functional areas. Now, however, following a joint review conducted by ESB and external consultants, the training function has been largely centralized as a single unit in head office in Dublin. There are a number of exceptions to this where a department provides specialized training to its staff and the training is confined to that department. One such area which affects this case study is the provision of sales and marketing training to ESB retail shops. This continues to be the responsibility of the marketing department though all other training is provided by the training and development department. The reason that a number of training centres were excluded from the central training function, now re-named the training and development department, was that departments which required specialized training should retain their own specialist training units.

The decision to centralize training within ESB will be reviewed in 1993, when an analysis of the functioning of the training and development department will take place. A decision will also be taken on the continued separate existence of the specialist training units which have, up to now, remained outside the training and development department.

The training and development department is divided into three divisions; the first deals with technical training in the power generating stations; the second oversees general training in the organization; and the third division is responsible for strategy and design. The total staff in the training and development department numbers 120 of whom eighty are in the technical division, thirty in the general training division and ten in the strategy and design division. The head of the department reports to the personnel director of ESB; the other two main departments in the personnel directorate are employee services and employee relations.

The division which looks after all non-technical training in ESB, the development division, is divided into four areas; general training, which includes all courses for management, supervisory and other grades; information training, which deals with all non-specialized computer training; the development unit, which looks at future training programmes; and the overseas training unit, which looks after the training course needs of ESB's international consultancy subsidiary, ESB International.

The general training section provides a number of courses to ESB retail shops. However, the majority of continuing vocational education courses especially those related to sales and marketing given to the retail shops, are provided by the marketing department.

The marketing department is divided into five divisions, one of which is the demand management division (see table 3). This in turn is divided into a number of units including communications, newsletter/media and training. The training unit comprises one trainer and a clerical assistant and has responsibility for providing training to the marketing function and to ESB retail shops. It maintains a close relationship with the training and development department which has a monitoring role in relation to the courses provided by the former. The training and development department review the training programmes prepared for the retail shop's annual business plan by the marketing department's training unit; the purpose of this review is to ensure that the policies and programmes developed by the unit are consistent with overall ESB training objectives.

As a general rule training needs analysis within ESB is undertaken by the staff member's immediate superior. The process is informal, though the training and development department are working on a pilot programme to make it more formalized.

The programme is in fact being piloted in the training and development department itself and involves managers preparing individual training and development plans for each person in the department. The process asks staff members to highlight areas of weaknesses that could be overcome by training.

The training and development department recognizes the need to extend formal individual training needs assessment throughout the organization and believes that employees will respond positively as the process will concentrate on their individual training needs rather than the needs of the position they occupy. However, the department recognizes that this process will be administratively very difficult to implement. It is also worried that the process will perhaps raise employees' expectations with the danger that these cannot be fulfilled.

ESB operates a five year business plan which is prepared by each business unit and rolled over each year. For the first time the training has been included in the 1992 business plan prepared in 1991. In the preparation of the 1992 business plan, managers were asked to identify and to prioritize the training needs of each business unit to achieve the goals identified in the plan. In relation to the training needs of the retail shops it would be the responsibility of the marketing manager in each region to specify the type and amount of training required by staff. The analysis of training in the retail shops within the region is considered very much at the macro level but in some cases it is done at the micro level. In assessing the training needs of the business plan for the shops, the marketing manager would normally consult with the area sales controller. The training manager is only asked to consider the needs of the retail shops in terms of on-going operational training programmes: induction pro-

grammes would not, for example, be considered in the business plan.

2.2.3 Impact of new technologies

The ESB retail shops have embarked on a major computerization programme. To date only the larger shops have been computerized but in time all shops will be electronically linked. Staff in the larger shops have received training in computer basics and in key board skills. Training has been provided also on important application programmes such as electronic billing and verification of customer credit.

The product mix available within the ESB shops is changing with a greater emphasis on brown goods (hi-fi, televisions, computers, etc.) compared to white goods traditionally associated with ESB retail shops. The changing product mix has implications for the product knowledge of the sales staff in the retail shops as it requires them to become familiar with new products and new technologies. For example, ESB shops now sell personal computers—ESB were the first major electrical appliance retailer in Ireland to do so. However, the staff in the retail shops had no previous experience of selling computers and product knowledge training courses had to be devised to provide this to sales personnel.

2.2.4 Participation of social partners

ESB has institutionalized a mechanism whereby the social partners can meet together to discuss matters of common concern. This mechanism is known in ESB as Participation Councils and are held in each major centre within the organization. For example, there would typically be a Participation Council in each of the main electricity generation stations but in the retail shops there is generally one Participation Council for the region as the shops are too small to warrant a separate council.

The main issues discussed at the Participation Councils are general matters affecting staff and these take place once a month. In theory it is possible that queries relating to training in ESB could be raised at a Participation Council meeting by a staff member and the general procedure would be for local management to relay the information to the training and development department to follow up. However, in practice, there have been few discussions on continuing vocational education at Participation Council meetings at the work-place level.

Training issues are, however, raised at the National Participating Council meeting which is held once a year over three days. The training and development department presented a paper on its new Education Support programme.

The training and development department uses its own Participation Council to communicate changes in policy direction to staff. Because of the recent re-organization of the department there has been some uneasiness among the trainers since their role has fundamentally changed from being purely trainers to facilitators of the training process.

It should be pointed out that the Participation Councils are primarily intended for staff/management communication. Industrial relations matters are handled by ESB Joint Industrial Council on which both management and employee representatives are represented. ESB recognizing the crucial role it plays in the provision of electricity to the economy has developed elaborate structures and mechanisms to ensure that disputes within the organization do not result in power cuts to customers.

2.2.5 Description of major programmes

Given the orientation of ESB retail shops and their direct contact with customers, the type of continuing vocational education provided to the staff differs considerably from other sections of ESB where the staff are more technically-oriented with less external contact.

Training in marketing and sales techniques and skills form a major part of the overall continuing vocational education programme. Management and supervisory training is also an important and integral element of the programme.

Marketing and sales training is open to all staff in the 105 ESB retail stores including part-time and clerical employees as well as full-time sales personnel. All of the training in this area is the responsibility of the marketing department who either provide the training directly or hire external training organizations.

Training in sales and marketing can be divided into two parts: product knowledge and skills and techniques. With regard to the former, formal courses in product knowledge are held every twelve to eighteen months in all the regions. These courses are developed and managed internally within ESB and generally cover all products. It is the responsibility of the area sales controller in each of the six regions to ensure that the staff in the shops are kept up-to-date in terms of their product knowledge. The Controller will liaise with the staff on a regular basis and should there be a requirement for a particular product knowledge course, the request will be channelled up the marketing department in head office. ESB has a number of specialist advisers, called energy sales officers, who provide advice and information to both residential and commercial users. These advisers may be called upon to provide the retail staff with technical information on new products in their fields of expertise. A number of the energy sales officers have trained as home economists and are specialists in home appliances. As such, they can be invaluable in ensuring that sales staff are kept informed of product changes. Additionally, suppliers may be requested to provide modules on these courses relating to their brands.

The majority of product knowledge courses held in the regions are run over three days and involve inputs from ESB staff and external suppliers. From the point of view of the management of the retail shops, one of the most successful features of this course is the preparation and presentation of a project by the course participants either by individuals

or, more frequently, by a group. The ten minute presentation centres on a particular product sold in the shops such as colour televisions or computers. Not only does this aid in learning product knowledge but participants also gain confidence in their own ability to make presentations. The level of presentations at these product knowledge courses is consistently high.

Informal product knowledge courses are also arranged for staff. These take the form of evening sessions whereby a supplier will arrange for a demonstrator to come in and give the staff an overview of the company's range of products. Such sessions happen on an ad-hoc basis and are generally arranged on a store-to-store basis. The staff are not paid for their attendance at these informal product knowledge sessions, though it is customary for the supplier to provide a meal and refreshments.

A recent example of this method of informal training in product knowledge is the fact that some of the larger retail shops have recently diversified into selling personal computers. The staff in these stores have attended a product knowledge course developed by the hardware supplier. However, the product knowledge session was less than satisfactory because it was the first time that the supplier had marketed computers through a retail outlet which was not a specialized computer supplier. The supplier's instructors were used to dealing with the staff of customers who had some previous experience of selling computers, whereas in the case of ESB retail shops the staff had none. Both ESB and the supplier recognize that this problem will have to be rectified in the next product knowledge training session.

Other informal methods of product knowledge training include arranging visits by the suppliers' representatives to particular stores to answer questions relating to their products.

The staff in the retail shops are unanimous in their support for product knowledge courses and believe that the management could do more in this area. They point out that the purchase of many electrical appliances sold in the shops represent a major financial commitment to a large section of the population. Customers, therefore, will do a lot of shopping around before they make up their mind. For this reason the staff say it is important that they have confidence in their product knowledge and this confidence is communicated to the customer. It is a truism amongst the staff in ESB shops that customers come into the shop on a Saturday to investigate and will return to the shop on Monday to purchase the item having considered the matter over the weekend. The staff know that if they can demonstrate their product knowledge to the customer in a professional way their chances of persuading that customer to buy from ESB are increased.

With regard to sales and marketing skills, ESB provides a formal two day course in selling skills. The course is held off the job and covers such topics as the role of selling and objection handling.

In addition, ESB has been involved with a distance learning course in sales for the past twenty years or more. The course, sales training, is of six months duration and runs from September of each year with examinations being held in the following May. Virtually all the full-time sales staff have undertaken this course and it has proved a popular choice throughout ESB organization even for staff who do not work in the retail shops. The course was developed originally in the UK by the Electricity Council who have prepared a series of six booklets in a loose-leaf format. Subjects covered by the course include: preparing to sell, the sales plan, appliance selling, professional selling and getting started. ESB arranges tutorials for staff undertaking this course which involve role-playing exercises which allow the participants to put the theory into practice within the context of ESB selling environment. These tutorials take place during the normal working day and they often necessitate the retail shops having to take on relief staff to cover personnel attending tutorials. Each region will generally organize a one or two day product knowledge session as part of the participants' examination preparation.

Participants on this course have to undertake a three hour written examination, usually held in May, and followed by an oral examination which takes the form of a sales interview. Successful candidates are awarded a certificate at a formal ceremony organized by the company. ESB has designed and printed its own certificates and the presentation ceremony is generally attended by a director of the organization. A diploma is also available and is awarded to those who have firstly completed the certificate course and, secondly, completed twelve months full-time experience in appliance sales.

However, ESB is in the process of replacing the Electricity Council sales course with a newer course developed by one of the newly privatized electricity generation and distribution companies in the UK. Called the effective selling and customer service course, it is also an open learning programme. ESB has received permission to make adaptations to the course to make it relevant to the Irish situation.

The effective selling and customer service course consists of three self-learning modules in the form of workbooks, tutor marked assignments, tutorial group meetings, on the job practice, assessments and written examinations. Topics covered by the course include serving the customer, identifying customer needs, product presentation, closing the sale and after-sale techniques. This course is replacing the previous course programme because of its greater emphasis on sales techniques and its use of more up-to-date materials and role-playing situations.

Training is also provided to staff in the larger retail stores in sales documentation and procedures. Since three-quarters of ESB retail shops are computerized, training in computer procedures and keyboarding skills for staff is essential.

ESB also arranges informal training in sales and marketing for its staff. For example, new recruits are

sent to the larger retail stores to work along side experienced sales staff.

For some time now, the management of ESB retail shops have been concerned about the quality of the display of products in the shop windows. It was apparent that staff did not have the capability to merchandise the products to a consistently high standard. The problem was that there was a lack of expertise within ESB in this area and there was no external source in Ireland who could provide training in the merchandising of electrical appliances with particular emphasis on window displays.

The training unit within the marketing department sourced a shop display training course provided by the Norweb Electricity organization in England based in Manchester. The course was specifically designed for the display of electrical appliances but was spread over five days. It was not possible for ESB to commit their staff for such a period of time since an additional two days would be lost travelling to Manchester; a compromise was reached with the Norweb Electricity organization to compress the course into a three day course.

A number of staff from the retail shops in the Dublin region attended the course in early 1991 and a second group went later in the year. Despite the shortened course both staff and management of ESB retail shops were pleased with the course content. Both groups of staff who participated on this course have stayed together as a display group. The members of both groups meet one evening a month to help arrange the display in a particular store in the Dublin region. It has been found necessary for the group to work as a team because of the heavy electrical items which have to be moved. The group members give their time voluntary in carrying out this work. Management believe there has been a considerable improvement in the quality of the shop displays in the Dublin region. There are plans to send similar groups from other regions to Manchester to attend this course.

The majority of the continuing vocational education courses referred to above are directed at full-time sales staff or the more general category of area clerical officer. The marketing department has, however, provided training programmes specifically for the area sales controllers who are the link persons between the marketing managers in each region and the retail shops. It became apparent to the marketing managers that there was a very large gap in terms of responsibilities between the area sales controllers and the staff who worked in the shops. In order to address this situation a number of senior sales staff have attended an intensive course in marketing principles and practice. This has helped to broaden their skills and their personal development.

From the viewpoint of the staff in ESB retail shops the courses in sales and marketing are important, given their recognition of the need to present a professional attitude to potential customers. They are aware of the requirement to make contact with customers as they enter the shop and to get an understanding of their requirements before advising them on the merits of a particular product.

In terms of future training requirements some senior members of ESB retail shops would like to see a greater emphasis on training in the legislative aspects of marketing, particularly in the area of customer rights and product liability. They believe the customer protection area will change fundamentally and it is important that they be aware of existing and impending legislation.

In terms of number of training man-days provided by the marketing department who have responsibility for formal sales and marketing courses, it is estimated that in 1990 a total of 1,210 training man-days were provided to the staff in ESB shops. Of this total, 825 were accounted for by female staff members. Information on expenditure on training as a percentage of the total wage bill of ESB retail shops was not available.

Formal product knowledge courses provided by the marketing department accounted for an additional 2 days per employee per year and suppliers contributed a further 2 evening sessions per employee per year.

The foregoing covered continuing vocational educational programmes which are specific to the staff in the retail shops. However, there are a number of interesting training programmes which have been developed for the whole of ESB and in which staff in the retail shops can participate. The most relevant of these organization-wide courses are described below.

The majority of ESB's clerical officers are female and the organization, recognizing very few of its senior and middle management team are women, has taken a number of actions to redress the balance. They have appointed an Equality Officer – ESB is one of the very few organizations in Ireland to do so. ESB has also developed a career development programme specifically for female employees.

The career development programme is intended to assist women in identifying and develop their own abilities, personality characteristics and occupational interests so that they can optimize their career potential within ESB. The programme also aims to help women to determine their educational and training needs in reaching their career objectives and it also assists them in writing their own personal action plans. Finally, the career development programme provides participants with an opportunity to develop some of the skills needed for personal effectiveness. As a senior manager in the training and development department observed, if a man is promoted he immediately starts thinking of his next upward career move while woman in a similar position feels that she has to prove herself in the new post before setting her sights on the next promotion opportunity. The career development course is open to female staff members in the retail appliance shops and a number have already participated on the course.

Part of the career development course concentrates on life-style skills with the aim of helping women to

think through their own priorities particularly whether they are working for a career or just purely to provide an income for their family. The course is designed to help women to feel comfortable with their career choice. Also included in the course is psychometric testing which for many participants is an eye-opener as it helps to identify their particular strengths and weaknesses relative to their working duties.

There is a growing demand among female employees in ESB for the course which is held over three modules, with each module lasting three days. It was jointly developed by the training and development division and external consultants.

Another course open to all clerical officers, both male and female, throughout the organization is a personal effectiveness programme which covers such skills as time management and presentations. The programme has the objectives of helping participants to clarify their personal goals, to identity the key interpersonal skills they need to achieve their goals, to identify, develop and apply effective assertion skills and, finally, to help participants to develop competent interpersonal skills. The personal effectiveness programme is held over two days and involves role play and group exercises.

In terms of training input by the training and development department to ESB retail shops, it is estimated that virtually all employees in the shops receive 2/3 days training every year. This includes all non-marketing and sales courses such as the career development and personnel effectiveness courses.

ESB provides a supervisory development programme covering all aspects of supervisory management. The programme which is modular in design was developed internally by ESB. It covers such areas as communications, management, understanding the role of the supervisor, change management, team working and supervisory skills both work-related and personal.

All supervisors who undertake this programme must do a work-related project either on an individual or team basis. The purpose of the project is to relate course content to the working situation in ESB and to aid the learning process.

2.3 Closer look at a particular outlet

The ESB retail store in Fleet Street in the centre of Dublin is the largest of the 105 ESB retail stores. The store has five full-time sales staff and two part-time staff. In addition, there are two people on a job sharing scheme. In terms of staff categories, there is one senior salesperson, four salespersons and one sales assistant (one of the two involved in job sharing), the remainder being part-time. The area sales controller is based in Fleet Street but his responsibility extends to the whole of the Dublin region.

The store also has 10 clerical officers, all female, who work as cashiers dealing with payment of electricity accounts, telephone queries and customer enquiries. The cashiers handle up to 2 500 customers a day.

The age profile of sale personnel varies quite widely. All the men are full-time and they tend to have over twenty years experience. They are also have come from a wide variety of backgrounds within ESB. Some of the male sales staff are close to retirement age. By contrast the female members of the staff are younger and are more likely to work on a part-time basis. They are also more likely to have started in ESB as clerical officers and have worked as cashiers.

Recruitment to the sales positions within the shop now tends to be made from the ranks of cashiers since they are dealing with the public on a full-time basis. Also, the cashiers may have gained some sales experience through occasionally acting as substitutes for the sales staff during holiday periods. If a vacancy occurs in the sales staff in Fleet Street, a replacement is appointed for a probationary period of twelve months. A formal assessment takes place after twelve months but informal assessments may also take place during the probationary period.

The Fleet Street store has a wide range of both white and brown goods on display. The store has recently started to market personal computers and printers with a high level of customer interest. Product knowledge is seen by the area sales controller as being a vital part of training for staff particularly as none of the staff in the store had experience of using or selling computers. Product knowledge refresher courses every six months are considered essential in the brown goods area as products are constantly changing. White goods such as refrigerators and freezers on the other hand tend to change more slowly and product knowledge refresher courses are only required every two to three years.

A key feature of the product knowledge training sessions is that time is allocated for participants to make a presentation either singly or as part of a group. One of the salespersons in the Fleet Street outlet had recently made an excellent presentation on televisions for which he was highly commended. The high quality of presentations by staff was particularly pleasing to management who saw an additional feature of the product knowledge courses as aiding staff in their personal development.

The level of merchandising of products in the store is rated very highly by management and is a result of the display training provided by the Norweb Electricity Organization in Manchester (two of the sales staff in Fleet Street had attended the course).

In addition to product knowledge courses, the majority of the sales staff had passed the previous UK Electricity Council distance learning course on selling used by ESB, sales training programme (described above), or were in the process of doing the replacement course, effective selling and customer service.

Both management and staff were satisfied with the level of training provided by the training unit within the marketing department and by the training and development department. However, some staff

voiced their opinion that improvements could be made in the area of product knowledge courses in the brown goods area and, in particular, in personal computers.

The senior sales staff also felt that more attention could be placed on providing staff with details on consumer legislation. Sales staff were of the opinion that training in consumer rights and legislation would help to clarify customers' legal rights.

2.4 Evaluation

2.4.1 By ESB

This case study of training in ESB retail shops has taken place against a background of a policy move to centralize training within ESB. One of the exceptions to this policy has been the training unit within the marketing department which continues to be a stand-alone unit and which provides the majority of courses to the retail shops. A review of the centralization of training within ESB will take place within the next twelve months and a decision will be taken on the issue of the training unit within the marketing department remaining outside the centralized training and development department.

Management is generally satisfied with the level of training provided to staff in the retail shops. There are, however, a number of areas that the management of ESB retail shops would like to address themselves to in the future. One such area is the provision of training in shop window displays to staff in shops outside of the Dublin area (to date two courses have been arranged for staff in the Dublin area and a third is due to run this year, again for staff in the Dublin region).

Another area is the introduction of formalized training needs analysis in the shops which hitherto have been assessed on an informal basis. It is intended that once the pilot experiment being conducted presently within the training and development department has been assessed and evaluated, it will then be extended to other parts of ESB including the appliance shops.

2.4.2 By employees and their representatives

Staff of ESB retail shops have a high regard for the training they receive. They are conscious of the fact that training helps them to be more professional particularly in their dealings with customers. They are also conscious that training can help them to meet their sales targets and improve their earning potential. They are eager to gain more product knowledge given the changing product mix being marketed in the shops.

Members of the staff of ESB shops themselves have, however, identified the need for more product knowledge training, particularly in the brown goods area and especially in the personal computer area. They have also identified the need for training in new legislation particularly customer protection legislation. These are two areas they would like to see management addressing in the future in terms of continuing vocational education.

2.4.3 By the author

The staff of the ESB retail shops have a wide range of good quality vocational educational programmes available to them. At one level staff receive training to develop their skills in selling to customers and at another level they can receive courses in personal development which can give them the opportunity to move elsewhere in the organization. The range and scale of both types of training is impressive.

While assessment of training needs of staff within ESB retail shops is currently very subjective at present, management are examining a more formalized and systematic method of evaluating training needs.

A unique aspect of ESB retail shops which sets them apart from other private sector retailers of electrical appliances is that they belong to a much larger public sector organization whose chief function is the generation and distribution of electricity. ESB retail shops can, therefore, benefit from economies of scale of belonging to a much larger parent organization particularly in relation to the provision of training services. It is unlikely that a smaller organization could afford the range and quality of training services that the ESB parent organization provides to ESB retail shops. Certainly, no private sector electrical appliance retailer in Ireland provides such a high level of training to its staff as does ESB.

If ESB retail shops operated as a stand-alone operation and had to pay for the training services it currently receives, it would appear to the author that a much greater emphasis would be given to undertaking cost/benefit analyses of the training programmes used.

2.5 Transferability

ESB shops are an interesting organization to study from the point of view of continuing vocational education because of the range of courses open to staff and because of the fact that training is provided by two different units within ESB.

The concept of the Learning Centres is also an interesting feature of ESB and it is one which other retail organisations could consider. The Learning Centre concept has already worked successfully in the financial services sector. ESB believes that the Learning Centres will encourage more home study by employees and the wide range of courses available will help employees to satisfy their own personal training aspirations. Already supervisors in ESB having been using the material from the Learning Centres to support their on-the-job training for apprentices.

The recent introduction of the Education Support programme by ESB is also noteworthy. The programme is likely to encourage ESB employees particularly those who left school early to learn a new skill. In time it is thought that these employees can be then encouraged to attend more formal training courses provided by the company.

The company has plans to introduce on-line CBT through its computer network to staff in the retail

shops in order that during slack periods during the day they can refresh their selling skills or update their product knowledge. Existing limitations to ESB's computer system means, however, that it will be some time before on-line CBT becomes a reality.

However, it should be pointed out that ESB is primarily in the business of generating and distributing electricity. The appliance shops are only one part of a much larger public sector organization. Many of the training programmes such as the product knowledge courses which are available to the staff in the retail shops are unique to the retailing of electrical appliances and would have limited application in other sectors of the retail industry. Staff in ESB retail shops benefit because of the wide range of personal development courses available from the main organization.

2.6 Conclusions

ESB retail shops have a number of distinctive features in relation to training programmes provided to them. The first is that training is provided from two different sources: the marketing department which provides staff in the retail shops with marketing and selling skills, and the training and development department which provides general skills training.

The second distinctive feature of ESB retail shops is the amount of product knowledge courses provided. This is a function of the changing product mix of ESB electrical appliance shops. A higher proportion of more technically sophisticated brown goods are being sold by the shops compared to the more traditional, low technology white goods. Staff responsible for the marketing of such goods have to have their product knowledge constantly updated to keep abreast of changing technology.

Another feature is the recent inclusion of the identification of training requirements in business plans. Managers responsible for the development of business plans were asked to prioritize the training needs of each business to achieve the objectives identified in the plan. Though training needs are presently only identified at a macro level, ESB has plans to introduce formal training needs analysis at the individual level.

It is necessary to keep in mind at all times that ESB retail shops are part of a much larger public sector organization whose prime function is the generation and distribution of electricity. If ESB retail shops were a stand-alone operation and had to buy training services from its current providers e.g. the marketing department and the training and development department, it is unlikely that the shops could afford such a wide range of high quality training programmes.

3. MARKS & SPENCER IRELAND LTD

3.1 General description of the firm

3.1.1 Major facts about the firm and brief history of its development in Ireland

Marks and Spencer have three stores in the Republic of Ireland – two in Dublin, and one in Cork. These three stores, trading as Marks & Spencer Ireland Ltd, are a subsidiary company of Marks & Spencer plc, based in London. All stores have food and non-food (textiles) departments. The Cork store which has been chosen for this study opened in 1989, a year after the the second Dublin store. All Irish stores are now part of division 1 of Marks & Spencer plc, following a major programme of regionalization introduced in 1991. Division 1, with headquarters in Edinburgh, also includes all the Marks & Spencer stores in Scotland, Northern Ireland and Northern England. The Northern Irish and British stores are all part of Marks & Spencer plc. (Prior to this, Marks & Spencer Ireland was part of the European division).

Division 1, like all six of the Marks & Spencer divisions, reports to head office in London. All buying, selecting, merchandising, distribution, technological and product development are centralized in London for all stores. London is also home to the training and development department which formulates overall training policy for all stores worldwide and which develops the vast array of training material available to all stores for staff training.

Within the Republic of Ireland there is a unified management structure for all three stores. This system was introduced last year as part of an overall process of management integration aimed at rationalizing structures and ensuring that smaller stores benefit from the expertise and innovativeness of major stores within particular areas.

The Republic of Ireland stores 'network' with the Northern Ireland stores with managers from stores throughout the island of Ireland meeting their counterparts on a regular basis.

3.1.2 Business strategy

The Marks & Spencer Board develops policy for the entire Marks & Spencer Group – including Marks & Spencer Ireland Ltd. Annual objectives, goals and targets are set by each division covering sales, staffing, staff costs, food waste, theft and loss etc.

The division plan provides the context and the priorities for Marks & Spencer Ireland Ltd. However, Marks & Spencer Ireland Ltd have discretion in the way in which these priorities are interpreted and consolidated into a local action plan, within budget limits, and taking into account local conditions. In this way commercial, personnel and training objectives are set for Ireland. These in turn are translated into operational plans for each store, again taking into account the local situation. Individual stores have discretion in setting their own objectives for the year and in introducing new initiatives. The process is neither all top down or bottom up. It is an iterative process aimed at ensuring consistency while at the same time allowing for local variations.

During the eighties, policies have changed to allow parity of prices between UK and Ireland, effectively a price reduction for Irish customers of around ten per cent. This removes extra costs incurred in repricing merchandise and has had a significant effect on the volume of business being done by the Irish stores. This parity issue, together with higher transport costs and higher employment costs in Ireland, make Marks and Spencer Ireland very conscious of the need to reduce other costs and to improve efficiency. Training objectives for the Irish stores reflect this priority. Given the present UK recession, business strategy, as directed from head office, is currently aimed at 'back to basics' i.e. getting the basics right in terms of customer service, etc. This priority is reflected in current training plans for the Irish stores as well.

Both management and staff agree that management style in Marks & Spencer Ireland Ltd is open, friendly and participative. Time is taken with staff to ensure that they are working well and that they are comfortable with their task. Problems are generally solved through agreement on action to be taken, often based on a training response. Feedback is constantly given to staff and staff feel highly confident of their own skills, expertise and development potential. Ability, rather than education, is valued and used as the main criteria for promotion.

3.1.3 Structure of the firm

Figure 1 shows the organization structure from London head office to Ireland head office. In practice, Marks & Spencer operate a matrix structure with a dual reporting system across geographic and functional lines. For example, the Irish training manager reports to the personnel manager in Dublin and also to the divisional training manager based in Edinburgh. He also networks with other training managers in division 1.

Marks & Spencer Ireland Ltd is run by a managing committee which includes the general manager in Ireland and a number of senior executives from division 1 and from head office in London (9 in total).

3.1.4 Human resources

3.1.4.1 Employment

Approximately 500 people are employed in Marks & Spencer Ireland Ltd – (compared to 62,000 in the UK). Sales turnover is around IR£55m for Ireland.

3.1.4.2 Gender

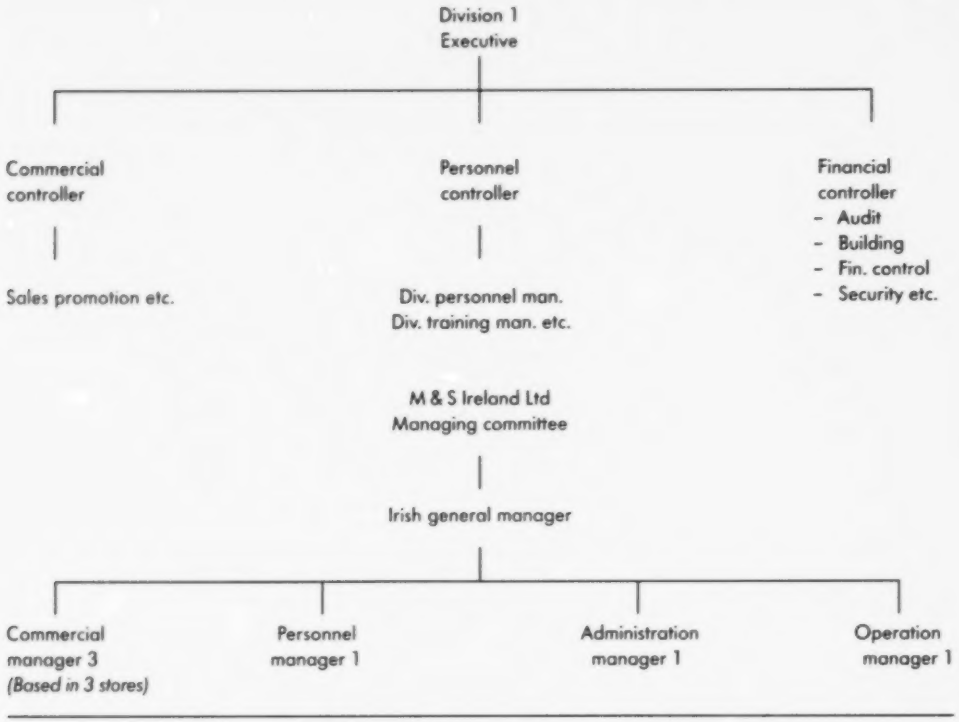
Seventy nine per cent of staff are female, (compared to 83% for the UK). A majority of the supervisors are female. Marks and Spencer operates on the basis of full gender equality. This is reflected in the generally prevailing attitude that there are no differences between men and women in terms of attitude to training, seeking and obtaining promotion, etc.

A general spirit of equality prevails at all levels.

3.1.4.3 Part-time employment

Due to a union agreement (no longer operating in Dublin but voted to be maintained in Cork) part-

Figure 1 - M & S Board Head Office London



time workers are limited to 2 for every 3 full-time employees. This has had the effect of limiting permanent part-timers to thirty-five percent of permanent employees (compared to 66% in the UK).

Managers and supervisors account for eight per cent of total employment. At the non-management levels approximately two-thirds are sales staff and one-third 'back stage' staff. This proportion is watched constantly, aimed at increasing the ratio of sales to 'back stage' employees.

3.1.4.4 Unionization

All Irish staff, excluding supervisors and managers, are unionized and a closed shop operates. None of the UK stores are unionized.

3.1.4.5 Staff turnover

Staff turnover is also low – two per cent per annum. Thus, staff stability is a key issue in determining local training priorities. It focuses attention on "topping up" staff skills to reach new and higher standards of customer service. Mobility within the Marks & Spencer Group is encouraged – particularly to assist in opening up new branches. However the geographical remoteness of the Cork store from the other Marks & Spencer stores has had the effect of limiting such mobility.

3.1.4.6 Wages

Wages rates in Marks and Spencer Ireland Ltd. are significantly higher than the agreed trade rates for the retail sector.

Up to this year wages rates were at the same rate for all unionized employees in the three Irish stores. However following the new agreement on part-time working in the two Dublin stores, wages have increased by three per cent. The Cork store remains at the original rate. No commission is paid on sales in any Marks & Spencer stores. Average wage rates are higher in Ireland than the UK as are the 'indirect' costs of employing staff (PRSI etc.)- thirty per cent in Ireland compared to 24.5 per cent in the other division 1 stores. As a result, the staff cost/sales ratio is higher in Ireland. Constant efforts are made to improve efficiency etc. in order to counteract this higher cost. Reward for effort is a key philosophy of Marks & Spencer. However to date, union agreements on pay and conditions in the Irish stores have limited the extent to which performance-related pay increases may be given.

3.1.4.7 Recruitment

There is currently limited recruitment of permanent staff into the Dublin Stores but none in the Cork Store. Temporary part-timers are recruited through 'open nights' which include a general discussion on terms and conditions, using both group and personal interviews. In Cork such temporary posts have been advertised internally as a good-will gesture to existing staff.

Education levels for staff being recruited into Marks & Spencer Ireland are considered to be very good with a very large volume and a high standard of application (7,000 applied for the 100

jobs made available by the opening of the Cork store).

3.2 Training policy

3.2.1 Training strategy

3.2.1.1 Training objectives

The 1992 - 1993 objectives for training in Southern Ireland are as follows:

- To develop further the commercial growth in the business by introducing advanced selling techniques.
- To develop a team of trainers across the region to enable greater self-sufficiency.
- Create greater accountability at section level for the development of product and system knowledge.
- Increase the profile of the Irish Training Team by enhancing links with the division and establishing a working partnership with Northern Ireland.
- To develop close links with key local schools.
- To stringently control the cost effectiveness of training whilst increasing standards.

3.2.1.2 Training plans

Continuing training is a key objective in all Marks & Spencer stores. Staff training is seen as a long-term investment bringing long-term returns in increased sales and profitability. This training ethos permeates all discussions with Marks & Spencer executives. There is a deep felt belief in the value and importance of training for competitiveness and for long term success in the market place.

This commitment is backed up by a very wide range of training material aimed at meeting identified training needs in-house. All such training material is available free of charge to Marks & Spencer Ireland Ltd. The Marks & Spencer philosophy is that, having identified a training need, training material to the highest standard is developed in-house, assisted by outside experts. All such material is piloted in a number of selected stores, then assessed and modified before going on general release. It is also regularly updated and reviewed.

Training, however, is not something the training department 'gives' to staff. Staff are responsible for their own development and supervisors are responsible for ensuring that their staff are adequately trained. All supervisory and management staff are trained to train their own staff as required. The training department's role is to make sure that no training needs remain unmet because of a shortage of relevant training material or other resources. The principle of individual 'responsibility' and ownership of one's own destiny is the key to Marks & Spencer training and development strategy.

The aim is to develop a self sufficient training team in Ireland, encouraging each supervisor to develop their own specialisms and to impart these skills to their staff.

3.2.1.3 Future training priorities

The key training issues for the future are seen to be:

- quality service – to be the best in the High Street,
- product knowledge – keeping this up to date and broadening sales staff's knowledge,
- new technology – ensuring effective use of significant investments in technology made in the last two years,
- health and safety – 1992 is health and safety training year.

All these issues reflect on-going business priorities in a time of low economic growth and generally flat consumer spending. The overall training objective remains to ensure that all staff perform their task to the agreed high standards expected in all areas of activity by Marks & Spencer.

The MAST programme which is about to commence, represents a major initiative to develop supervisors in all Marks & Spencer stores. (It should be noted that supervisors are the equivalent of floor managers in other retail stores and have considerable responsibility and authority).

This programme, which is being developed jointly by Marks & Spencer and an outside agency, will:

- agree new job descriptions for supervisors,
- set up a working party to manage the process,
- identify training needs both general and individual through means of a lengthy questionnaire to be completed by the supervisor and their line manager,
- develop an appropriate training package based on individual training modules.

This open style and approach towards developing supervisors is viewed positively by the supervisors themselves.

3.2.2 Training structure

3.2.2.1 Training department structure

In Ireland the training department is structured as follows:

1 personnel manager
based in Dublin

1 training manager
based in Cork

3 training co-ordinators
based in each store

3.2.2.2 Role of training manager

The Irish training manager, based in Cork, is an assistant personnel manager, with personnel and industrial relations responsibility in the Cork store. He is responsible for agreeing training plans for the three Irish stores and for ensuring that all staff are trained and developed to meet operational and successional needs. He is responsible for ensuring that all staff receive regular and effective appraisals with constructive follow-up. The actual day to day training arrangements are made by the training co-ordinator in each store who reports to the training manager.

The training manager 'networks' with other training managers in division 1 and liaises with the Training Department in head office on a regular basis.

The training plan he draws up is based on overall Marks & Spencer training objectives for the year and training priorities set by division 1 headquarters. The final contents of this plan are then agreed by the Irish management team.

3.2.2.3 Identification of training needs & evaluation of training

Marks & Spencer operates a highly sophisticated and comprehensive method of identifying training needs, relating them to performance, and reviewing achievements.

All jobs at all levels have detailed job descriptions which are updated regularly. These form the basis for identifying training needs. Once a year all staff are appraised. This appraisal is a two way process with staff encouraged to give their views. Staff are thus assessed against their job descriptions using a standards-based assessment system. Any 'gaps' are addressed in terms of training required to fill them. Staff are then encouraged to locate the necessary training. When the required training has been identified a 'briefing' summary is prepared by the staff member and their line manager. This involves agreeing objectives and expectations prior to undertaking the training. On completion of the training, staff are 'debriefed' and an action plan with dates agreed to ensure that the new skills are put into action on the job. A date is then set for a three month progressreview at which results are reviewed and comments made. If required, a further action plan is then agreed. The overall situation is then reassessed at the next appraisal.

Using this tight and highly structured system, Marks & Spencer ensures that training is relevant and beneficial to both the individual and the store.

Staff appraisal is thus undertaken in a very positive way with solutions to possible weaknesses being immediately discussed and agreed. The strong back-up training material available ensures that such plans are not frustrated by lack of available training. Both management and staff view this system very favourably.

Formal cost/benefit analysis of training is not attempted in Marks and Spencer Ireland Ltd. Management view such an evaluation as extremely difficult if not impossible to measure accurately and believe that investment in staff brings long-term returns in terms of greater competitiveness, efficiency and profitability.

3.2.2.4 Training budget

The training budget for Marks & Spencer Ireland Ltd. in 1991 was £15,000. It must be noted that this figure only covers expenses incurred in attending training programmes. It does not cover the costs of training materials or wages paid to those running and attending training programmes. A more meaningful figure is the target set by division 1 of two per cent full time equivalent staffing allocated to training for each of their stores. This figure is monitored monthly, based on figures provided by each supervisor.

3.2.3 New technology

A key objective of Marks and Spencer Ireland Ltd. is to "increase the commercial awareness of all staff through:

- increasing knowledge of new technology systems particularly on foods,
- maximizing the information and documentation to increase sales and efficiency."

In 1991 a series of new technology training programmes was undertaken for all staff in Irish stores mainly covering new till systems. All staff received ten hours training in this area. This training was provided by the training co-ordinator in each store who in turn had been trained in Dublin by a supervisor.

New technology is perceived to have raised the skills of staff as it allows them access to a greater amount of information on their sales area.

3.2.4 Participation of social partners

As stated above, all staff in Ireland below supervisory level are unionized. Generally the union is not directly involved in setting or reviewing training priorities. However, training plans are presented to the union house committee, a body elected by the staff to represent different areas of the store, for discussion and comment.

Staff issues are usually dealt with by line managers but can be referred to the house committee. Such referrals are then discussed with management, and action agreed. A spirit of co-operation rather than confrontation prevails. The unions are positive towards change and initiative and work well with both staff and management. The aim of both sides is to head off problems through discussion rather than letting them develop to confrontation and crisis.

3.2.5 Description of major programmes

3.2.5.1 Training plans

Complementing the 'bottom-up' individually-based, training approach, annual training objectives for each store are set in line with business plans. The training plan for Marks & Spencer Ireland Ltd, agreed by the Irish management team for 1991-92, had the following objectives:

- Establish an effective and creative training team within each store.
- Structure training needs on an individual basis through job descriptions and appraisals.
- Maintain close liaison between the three Irish stores, whilst developing further associations with Northern Ireland and division 1.
- Establish a training budget for each store and maintain high training standards, whilst reducing unnecessary expenditure.

These training objectives, which are reviewed on a six monthly basis, are then translated into a detailed training plan.

The training plan for each store, reflects the overall training priorities set for division 1 as well as individual training needs. Currently the broad training priorities for the division are;

- increased commercial awareness of all staff,
- the highest standard of customer service,

- the further development of interpersonal and management skills within supervisory categories.

As well as attending formal training programmes, staff are encouraged to undertake 'attachments' in other Marks & Spencer stores in order to broaden their experience and knowledge.

Further product/sales related training takes place on the job, generally involving a fifteen minute session per staff member per week. All training, both off-the-job and on-the-job, is recorded for training record purposes. A spirit of healthy competition is encouraged between stores in relation to the amount of training undertaken with monthly comparisons of each store's training activity being circulated throughout the Division.

Sales staff who are responsible for a certain section of a department are encouraged to take initiatives within their own area (eg. in displaying goods) and to broaden their jobs as much as possible. Sales staff rotate through different departments to broaden their experience and to maintain a high level of interest in their job. Sales staff set their own sales targets within forecasts set by supervisors. They are encouraged to make suggestions for improvements in their department and receive feedback on all suggestions made.

Recently, a new grade of "till controller" was introduced with sales floor staff being promoted to this grade. This has had the effect of tightening up controls and of releasing both sales and supervisory staff to concentrate more on dealing with customers.

Given the exceptionally high level of training support available in-company, Marks and Spencer Ireland Ltd. do not generally look for external programmes in Ireland. However they do participate in programmes available through the Federation of Irish Employers (FIE) and the Irish Management Institute (IMI). They have found these programmes useful.

3.3 Closer look at a particular store: The cork branch of Marks and Spencer Ireland Ltd.

3.3.1 General information

The Cork branch of Marks and Spencer Ireland Ltd. was opened in 1989. It has both a food and non-food department. It is located in the main shopping street of Cork, the Republic of Ireland's second largest city. Sales turnover in the Cork Store was IR£12 million in 1992 representing twenty-four per cent of the total turnover of Marks and Spencer Ireland Ltd.

Within the Cork store, a number of changes have taken place since its opening in 1989. On the commercial front a conscious effort has been made, due to poorer than expected sales in the initial year, to move the store's image up-market and to change the range of products available in the store accordingly. This strategy has proved successful with a significant increase in sales (from IR£8m in 1989 to IR£12m in 1992 and a forecast level of IR£14m in 1993). As a result, six new deputy supervisors have been appointed and trained in Cork since the store opened.

Figure 2 shows the structure of the Cork store.

Figure 2 – The Cork store

3.3.2 Human resources

The Cork store currently employs 92 people. Employment has remained stable since the store opened in 1989.

Employment is distributed as follows:

50	full-time permanent general staff
33	part-time permanent general staff
9	management and supervisors
92	

An additional nine staff are employed in a temporary part-time capacity.

Cork employees by age break down as follows:

Age	%
Under 30	66
30 - 40	20
over 40	14
	100

Years of service are as follows:

	%
over 5 years	14
2 - 4 years	85
less than 2 years	1
	100

Absenteeism is very low – under three per cent of paid staffing. Staff turnover is also low around two per cent per annum.

3.3.3 Training strategy

Prior to the opening of the Cork store, a comprehensive training programme was implemented based on a clear strategy aimed at ensuring that Marks and Spencer's international standards of service etc. were evident from day 1 in Cork.

Supervisors were recruited a year before opening date and given a very wide-ranging programme of training. Five of the seven supervisors were recruited locally, one transferred from Dublin and one from London. Six months training in the UK was given, all expenses paid, followed up by a two month period of training in the Dublin stores. Trained supervisors were then available to ensure the smooth opening of the new store.

General staff were recruited four months prior to the store's opening and given training in the Dublin store backed up by a local training programme. Given the distance between Dublin, the nearest store, and Cork almost all general staff were recruited locally. They therefore had no experience of working in Marks & Spencer and most had no formal training in the retail sector when recruited. Thus a highly intensive training approach was adopted for these staff.

This training was considered to have been excellent by both staff and management.

Training for temporary staff is normally a week long
- one and a half days off the floor, the rest of the week spent 'shadowing' an experienced staff member.

Table 1 outlines the training undertaken in the Cork store 1991/1992.

3.3.4 Training structure

As outlined in Section 2, each Marks and Spencer store has a training co-ordinator who reports to the assistant personnel manager. The role of the training co-ordinator in Cork is to:
- ensure that training is given a high level of priority within the store,
- identify store training requirements in consultation with supervisors,
- plan and arrange the agreed store training programme,
- keep all store training material and training records,
- ensure that 'general' training needs are met (e.g. new technology training, updating in commercial areas etc.),
- ensure training is followed up through the briefing system (outlined in section on identification of training needs below),
- advise on new training material,

The Cork training co-ordinator, when appointed, undertook a week long 'attachment' in a Scottish store and attended a training of trainers course in Scotland.

Training records are prepared by line managers in the Cork store on a monthly basis and co-ordinated by the training co-ordinator.

The three Irish training co-ordinators meet regularly to discuss training and related issues and also attend divisional training meetings. In this way strong networks are developed and maintained.

The Cork training co-ordinator works in this position on a part-time basis (three days per week) combining it with commercial responsibilities.

The training budget for Cork was IR£5,000 in 1991, to cover incidental expenses only.

3.3.5 Impact of new technology

All staff in the Cork Store received ten hours of new technology training during 1991 – mainly to cover the introduction of new till systems. Both management and staff viewed this training as beneficial and considered that such technology has allowed staff to broaden their jobs and to participate more in planning for their area of responsibility. There was no resistance to the introduction of this technology.

3.3.6 Participation of social partners

As stated above, all staff in Ireland below supervisory level, are unionized. Generally the union is not directly involved in setting or reviewing training

Table 1 - Training undertaken by Marks & Spencers, Cork 1991/1992

Course	Location	No. of staff	Length of Programme
Management Courses			
Divisional deputy managers conference	Scotland	2	3 days
Divisional management development course	Bath	1	5 days
Disciplinary commercial workshop	Scotland	1	2 days
Assessment centre training	Scotland	1	1 day
Supervision			
Sales floor standards & presentation	Cork	7	1 day
Foods commercial workshop	Scotland	2	3 days
Textiles commercial workshop	Scotland	2	3 days
Managing change course	Cork	7	2 days
Managing change course (deputy supervisors)	Cork	10	1 day (May '92)
Time management	Cork	10	1 day
Communication & presentation skills	Cork	10	1 day
Working with assertiveness	Cork	10	1 day
Main general staff training			
Textiles & food workshops	Cork	50-60	half day
New technology training	Cork	60	1.5 days
New commercial documentation	Cork	60	1 hr. per person
Sales assistants trained in stockroom	Cork	4	2 days per person
Till procedure update	Cork	50-60	half hr. per person
Health & safety	Cork	all staff	half day
Theft & loss	Cork	all staff	half hr. per staff
Quality service	Cork	all staff	half hr. per staff
Attachments			
Food supervisor	Glasgow store		3 weeks
Food deputy supervisor	Harrow London		2 weeks
Training co-ordinator	Perth		1 week
Catering deputy supervision	Bristol/Cork		3 days

priorities. However, training plans are presented to the union house committee in Cork, a body elected by the staff to represent different areas of the store, for discussion and comment.

Staff issues are usually dealt with by line managers but can be referred to the house committee. Such referrals are then discussed with management, and action agreed. A spirit of co-operation rather than confrontation prevails. The unions in Cork are positive towards change and initiative and work well with both staff and management. The aim of both sides is to head off problems through discussion rather than letting them develop to confrontation and crisis. Union representatives interviewed in Cork did not consider it necessary for them to take a more active role in training issues.

3.3.7 Description of major programmes in Cork

The major training programmes provided in the Cork store in 1991/1992 are described below:

- *Managing change course for all supervisors.*
  This course aimed at developing supervisors to handle more responsibility, to increase their flexibility and to ensure that they delegated, as appropriate, to their deputies. It was a two day, off-the-job, course run by an external tutor with a significant input from the Irish general manager on company policy, priorities, etc.

- *Intensive development course for deputy supervisors.*
  These workshops, which ran over a 6-7 month period were provided in-house by the two managers, using the Marks & Spencer training materials, booklets, open learning packages etc. The workshops covered topics such as assertiveness, managing change, time management etc. In this way, deputies have been developed to take on more responsibility, allowing supervisors to concentrate more on new developments and initiatives in the store.

- *Product knowledge workshops for sales staff.*
  Half day sessions for all sales staff were given by supervisors aimed at updating and broadening product knowledge. These programmes also aimed at increasing staff mobility across departments (similarly styled workshops are now planned for back stage and office staff).

- *Education sponsorship*
  Approval was given this year to offer sponsorship to Irish staff undertaking further education. At the present time staff are being invited to apply for such sponsorship. The scale of this programme will depend on staff interest and budgetary conditions. No indications of interest in Cork are available yet.

- *New technology training.*
  During 1991 all sales staff received approximately ten hours training on the new tills introduced into the store during that year. Training was given by the Cork training co-ordinator, having herself been trained by a supervisor in Dublin. Such technology was agreed to have upgraded skills and to have given sales staff more information on their own area. There was no impact on staff numbers or on the balance of part-time working.

- *Open learning*
  An open learning week is held each year during which all training material can be viewed and used. Staff are encouraged and given time to avail themselves of the wide range of material available.

All training programmes followed during the year aimed at bringing all staff up to agreed divisional standards in each area and at consolidating the skill levels of each employee.

3.4 Evaluation

3.4.1 By the firm and employees

Both management and staff in the Irish stores agreed training is very comprehensive and relevant. As referred to above, all staff are encouraged to beresponsible for their own development and to avail of training as required. Part-time staff and women employees are found to be equally as well motivated towards training as both full-time and male employees.

Union representatives are also very positive about the training and career opportunities available to Marks and Spencer staff in the Irish stores.

3.4.2 By the author

Marks & Spencer Ireland Ltd. have a deep commitment to training for all staff. Training is seen as an essential investment for long term prosperity.

Staff development systems are highly formalized, but with increasing responsibility being given to individual staff members to develop to their full potential with all necessary back-up support provided by the store.

Identification of training needs is clearly linked to performance while training is very much standard-based. Training review is also clearly built into the process.

3.5 Transferability

Marks & Spencer represents an Irish firm fully committed to training with beneficial results in terms of staffs growing sense of personal responsibility and general effectiveness, as well as in terms of growing sales. It thus represents an admirable example for other Irish retail stores to emulate when developing their training efforts.

Important lessons can be learnt from Marks & Spencer, particularly in relation to the identification of training needs, reviewing training undertaken and linking training to performance on the job. However Marks and Spencer Ireland Ltd. have access to comprehensive back up support in terms of both training materials and systems, a level of support not readily available to other retail establishments in Ireland.

3.6 Conclusions

- The arrival of Marks and Spencer in Ireland has brought a new and comprehensive approach to training to the Irish retail sector.

- Marks and Spencer have shown how an integrated staff training and development system can be operated in the retail sector and the returns such a system can bring in terms of staff performance and, ultimately, business performance.

- It must be remembered, however, that the training system operated by Marks and Spencer Ireland Ltd. receives considerable back up support from Marks and Spencer plc. in the United Kingdom. This support is not available for other Irish retail outlets.

- The question is therefore raised as to how similar support can be provided for other retail outlets in Ireland. The needs and resources of stores in different segments of the market and of different sizes, also raises issues of transferability and standardization versus individual requirements and special needs.

- In the absence of a strong training tradition in the retail sector in Ireland, agreement must be reached on the type of intervention required from the external education and training system; whether this should be in the form of advice, funding, direct provision, etc.

- The experience of Marks and Spencer in Ireland has shown that whatever back up support is available it must be adapted to suit local conditions and characteristics – interms of both staff and customers.

- Marks and Spencer clearly demonstrates how a 'virtuous circle' of training – staff performance – quality – customer service – business performance – further training can be developed. Both management and staff in the Irish stores react very positively to the obvious company commitment to their ongoing development.

- The Irish Marks and Spencer stores are union-ised while those in the United Kingdom are not. While management/union relations are very positive, the presence of a union has been seen to reduce flexibility in terms of part-time working, reward for performance etc.

- The commitment to training in Marks and Spencer is demonstrated in many ways. For instance a training co-ordinator is appointed in each outlet. This co-ordinator spends three full days a week on training matters, backed up by line managers, company training supports, etc., for a staff of ninety-two in the Cork store.

- The systems for identifying individual training needs and particularly for following up on training received, are comprehensive. Such systems could usefully be emulated in other Irish stores.

4. SUPERQUINN

4.1 General description of the firm

4.1.1 Major facts about Superquinn

The Superquinn grocery company is one of Ireland's leading food retailing companies. The company, which is privately owned, operates thirteen stores in the Dublin region with a combined sales area of over 30,000 square metres. Superquinn employ over 2,000 people and operate the highest staff to store ratio of any grocery multiple in Ireland.

The company specializes in the marketing of fresh foods particularly fruit, vegetables, meat, dairy products, bread and prepared food. In addition, each store carries a large range of dry goods, toiletries and wines and spirits.

Superquinn has pioneered the introduction of crèches in its supermarkets as well as in-store bakeries and butcher shops. It has also developed a range of specialist food departments in every store such as delicatessens, pizza kitchens, pasta kitchens, salad kitchens and even sausage kitchens. The central theme behind these new developments is that Superquinn wishes to convey the theme of providing fresh foods to its customers.

4.1.2 Business strategy

Superquinn competes on the basis of fresh food and customer service. It is competitive on price but is considered more expensive than Dunnes Stores, one of Ireland's largest grocery multiples, which competes solely on the basis of lower prices and restricted product choice. In one of its newer stores Superquinn matched a competitor which specializes in discounting on price for every item it sold. Market research found that despite prices being identical with the discounter, Superquinn was perceived by customers as being more expensive. However, few of its competitors can match Superquinn for its customer service or the range of goods supplied particularly new fresh foods. For example, in recent years Superquinn has spent much time and resources in encouraging the sale and consumption of exotic fruits and vegetables even in stores located in working class areas.

The founder and owner of the Superquinn grocery company, Feargal Quinn, established his first shop in Dundalk in the North East of Ireland in 1960 having spent some months previously in Europe studying new self-service retailing methods. His father had operated a chain of grocery shops called Payantake before going into the holiday camp business.

Feargal Quinn is regarded as an innovative food retailer both in Ireland and internationally. He is in constant demand as a speaker to international food and retailing conferences world-wide. He travels abroad regularly to Europe, America and the Far East to research new retailing methods. He has written a best-selling book entitled "Crowning the Customer: How to Become Customer-Driven" which explains his customer-oriented philosophy. He was born in Dublin in 1936 and attended University College Dublin where he graduated in commerce in 1958.

The Dundalk outlet was small in size, approximately 200 square metres, and had a total staff of eight. It was the first self-service grocery shop to be operated in Ireland outside Dublin. Self-service supermarkets were slow to take off in Ireland and the first self-service grocery outlet to operate successfully only opened its doors in Dublin in 1957.

The second shop was established in a disused cinema in Finglas in 1965, a working class suburb on the north side of Dublin. The company grew to develop a further twelve stores and five shopping centres in the greater Dublin area, some of which are located in working class districts and others in more prosperous suburbs of Dublin. Superquinn has a policy of owning all its stores and shopping centres. By 1970 the company had changed its name from "Quinn's Supermarkets" to "Superquinn" and had located its head office in Sutton, the second store opened in Dublin after Finglas.

Superquinn's share of the Irish grocery market is approximately five per cent nationally but it averages at around 16 per cent in Dublin where a third of the population lives with an even greater proportion of the nation's spending power. Since 1970 it has concentrated in the greater Dublin area, having closed the Dundalk store. Pressure of competition in the Dublin market is causing the company to examine the feasibility of opening new stores in urban areas outside of the capital. In one sense this would be a radical departure for the company because the proximity of the stores to each other and head office allows for close and regular communication – all of Superquinn's shops are within forty kilometres of each other. Lines of communication would be stretched if the company was, as anticipated, to open branches in towns eighty or a hundred kilometres away from Dublin.

The company has a very informal style of management; paper is kept to a minimum and written memos are unheard of. Managers are asked what use they are going to make of non-essential information or statistics: if it is not needed then they should not want it. For example, the training department does not keep statistics on the hours of training it provides to the stores. Its most important statistic is the number of trainees it trained in the year. From the company's point of view the most important statistics are the weekly performance figures of each store which are summarized in a five page document. This information is communicated to the stores every week and it provides the management and staff of the stores with details of the preceding week's sales, cost of sales, gross margin and contribution. The results of each store are discussed each week with staff by the management of the store and a director of the company.

The company's lack of formality and dislike of excessive paperwork, however, have not stopped it from being the first grocery supermarket group to be awarded the quality mark by the Irish Quality Association which represents the European Organization for Quality (EOQC) in Ireland. Superquinn regard having achieved the quality mark as a major coup for the company and were surprised to

2.

receive it given the customary requirements of quality control systems for accompanying documentation.

A key management philosophy is that managers should not be office-bound; the manager's office in each store is by design small and cramped. The company prefers to encourage managers to spend their time out on the shop floor. This philosophy also extends to executive directors: once a week each director will visit one of the company's thirteen stores to discuss the previous week's trading results and to discuss matters relating to that director's area of responsibility. The managing director, Feargal Quinn, makes it his duty to visit each store once a week.

4.1.3 Structure of the firm

Superquinn operates a small head office of some sixty people. Within the company it is not known as head office but as a "support centre". The training department is located in the Finglas branch which was the company's first store in Dublin. The training department is also regarded as a service department to the stores as are other departments which are not directly connected with the operation of the shops.

The company operates an unusual company structure—if it can be called a structure at all—and Superquinn make no apology for not having a formal organizational chart. The company points out that if it had an ideal organizational chart it would be an inverted triangle and the person at the top would be the customer under which in turn would be sales assistant, department chargehand (supervisor), shop management, shop manager, area manager, the Monday Table (see below) and, finally, the managing director.

The basic conventional company structure has the managing director, Feargal Quinn, with six executive directors reporting to him. Within the company this group is known as the board or the Monday Table after the practice for all the directors to meet every Monday morning for three hours to discuss future company policies. Day to day operational matters are rarely discussed at the Monday Table. This is the only formal meeting where all the directors meet; ad hoc meetings can be arranged between directors to discuss problems of mutual interest but these are always done on an informal basis.

Each director has responsibility for a specific department: finance, marketing, buying, property, training and personnel, and operations. The chairman of Superquinn acts as the head of a separate subsidiary company which manages Superquinn's property investment.

The most unusual feature of the company's organizational structure is the distribution of authority and the importance of the area and store managers in the organization. The operations director has three area managers reporting to him; each of the area managers are responsible for four shops (though one is now responsible for five with the opening of Superquinn's latest store in Lucan near Dublin). The store manager reports directly to the area manager. Within the company the area manager has absolute responsibility and the same point applies to the store manager though to a lessor extent. Area managers have the authority to spend as much as is needed to provide the level of customer service necessary in the shops for which they have responsibility. If they believe customer standards have slipped there is no limit to the amount of money they can spend to rectify matters.

The area managers have specialist advisers in meat, fruit and vegetables, etc., whose function it is to provide the area managers and stores with information and advice on how best to increase customer services in these specialist areas.

The function departments in the company such as finance, training and personnel and marketing are support services to the area managers and store managers. The area managers or store managers are not obliged to use the services offered by the functional departments; the shops are required to buy the services of the functional departments. Therefore, if an area or store manager does not favour the services offered by the training and personnel or marketing departments he or she is not required to use them. From the area or store manager's perspective the other departments are expenses which come off his profit figures. The company's philosophy is that the functional departments support the area and store managers.

The onus is on the functional departments to go out to the area or store managers and sell them services or programmes. It is rare for an area or store manager to go to where the functional department is located. The services or programmes offered by the functional departments must be relevant to the needs of the area managers of the stores i.e. the services and programmes offered must be worthwhile to the shops. From the staff in the functional department's point of view they often regard themselves as external consultants to the stores. One of the challenges that the functional departments will have to face in the future will be servicing the needs of stores outside the greater Dublin region. The fact that all of Superquinn's stores are all in the Dublin area makes it easier for the functional departments to interface on a regular basis with the three area managers and thirteen store managers.

4.1.4 Human resources

The company employs 2 000 people which includes both full and part-time employees. This figure does not include casual workers which the company employs to pack bags at the check-outs.

Prior to 1984 the majority of Superquinn's staff were full-time but with eighty per cent of sales being on Thursday, Friday and Saturday, the company found that staff were underutilized in the early days of the week. During week days peak shopping hours are between the 10 a.m. and 12.30 p.m. and after 5.50 p.m. during the late opening nights of Thursday and Friday. Rising labour costs forced the company to correct the imbalance by reducing the

percentage of full-time staff and bringing in part-time employees to cater for peak shopping hours. Superquinn stores are open from 9 a.m. to 6 p.m. on Monday, Tuesday, Wednesday and Saturday and from 9 a.m. to 9 p.m. on Thursday and Friday. Finishing time for staff is fifteen minutes after closing time. Employees work a basic 39 hours a week, five days over six, Monday to Saturday.

Superquinn is fully unionized and relations with the union are generally good. The wages of Superquinn employees generally regarded as being 5 – 6 per cent higher than their equivalent in competing companies. The staff/store ratio is twice that of Superquinn's competitors. The company also provides generous holiday and compassionate leave allowances compared to its rivals.

Many of Superquinn's employees have the basic minimum education and joined the company straight from leaving school. In some of these cases the employee already had worked for Superquinn on a casual basis after school hours packing bags at the check-out or assisting in the store room. One of the problems facing the training and personnel department is that some employees had a very poor experience of education which made them reluctant to attend training courses provided by the company. For this reason the department had to ensure that training programmes were not seen by participants as being overformal.

The company operates in a very competitive grocery market in Dublin which is considered to be over-supplied in terms of grocery outlets particularly large supermarkets. Superquinn's next largest competitor is four times the company's size and the next largest is six times the size. Pressure on market share is not only coming from other multiple chains but also from symbol groups e.g. Spar, Mace, etc., which have regained some of the market share they lost to the multiples.

4.2 Training policy

4.2.1 Training strategy

The company firmly believes in the importance of training particularly in the achievement of company objectives of being specialists in the marketing fresh food and providing the highest level of customer service. Underpinning the company's training policy is that staff must understand the need to react to customers in the Superquinn way that is serving the customer better than anyone else in the market place. Management believe that the function of training is to ensure that employees are allowed to look after the customer. According to the training and personnel department, the environment for the provision of the high level of customer service desired by Superquinn from its employees is created in the training department.

Central to Superquinn's policy of continuing vocational education is the role of the selection and induction training process in obtaining the right calibre of personnel to provide good customer service to customers. The company believes that the selection process is crucial in finding employees who are committed to serving the customer no matter how difficult the customer is or the situation in which the employee finds him or herself. The manner in which an applicant handles the interview situation is a key factor in determining whether they will be selected. If the applicant can behave in a friendly fashion during a tense situation like an interview then he or she is likely to behave in a friendly fashion to customers on the shop floor. Having the right personality is the key criteria from Superquinn's point of view and is more important than having previous experience in retailing or having studied a course relating to retailing. Superquinn believe that if a recruit has the right personality then they can be trained in the necessary techniques. Only one in thirty of those interviewed by Superquinn are offered employment.

The majority of new employees in the shop assistant category undergo a three day induction programme before they are allowed on the shop floor. During the induction programme they are given an introduction to the company and its emphasis on marketing fresh foods and customer service. During the early part of the 1980s the emphasis of the induction programme was on explaining the company's rules and then an introduction to the company's specialization in fresh foods and serving the customer better than any other retailer. Following a review, the company decided to reverse the components of the programme giving the company's philosophy of providing a high level of customer service as the main part of the programme with the latter part of the programme being devoted to rules and conditions of employment. Each new employee is given a copy of Superquinn's "A Question of Teamwork" publication which outlines the company's history, philosophy, rules and terms of conditions. The company believes that the induction programme is essential for instilling the Superquinn's philosophy to its new employees and maintain that employees who do not go on the course are not as good as employees who do.

In a new departure for Superquinn which training executives believe will be commercially significant in the future, recruits for the company's new store in Lucan in West Dublin were given training in hygiene. Superquinn believe that in future all employees of retail outlets handling fresh food will have to receive training in hygiene. The trainer on this course is a qualified hygienist and as mentioned above the training centre has its own laboratory with the capability for undertaking simple hygiene tests.

The company plans to extend the hygiene component to all induction programmes in the future and in addition to other non-induction training programmes.

4.2.2 Training structure

The training and personnel department came formally into existence within Superquinn in 1979 with the appointment of a full-time personnel manager. The appointment of a personnel officer was largely as a result of the introduction of new employment legislation such as the Unfair Dismissals Act and of

the opening of new stores by Superquinn. Prior to this date there was no formal personnel manager. This was followed a year later by the recruitment of a training officer who is now the head of the training section within the department. She had previously worked on the shop floor as a check-out operator and in the cash and wages department. She had no previous work experience apart from Superquinn and in common with many of people working in the Irish grocery trade saw her job in Superquinn as a temporary one until she could find something better. Prior to joining Superquinn she never considered a career in retailing.

A number of outside trainers were recruited into the organization in 1981 to assist in the training effort. However, there were difficulties with these new people because though they were well qualified they did not come from a retailing background. The new trainers themselves found the long working hours and working week of Superquinn much different from what they previously were used to.

External consultants were employed during the beginning of the 1980s to assist with the training of new employees for new store openings. However, Superquinn does not presently use external consultants to the same extent as it has done in the past.

Within the training and personnel department there are fourteen people including the director. The director has only been with the company since 1986 and previously worked with an American computer accessory company. By contrast his deputy has been with Superquinn all her working life having started as a check-out operator. Since his arrival in the company, the training and personnel department has become more structured and objectives have been defined for the department. A complete and thorough review has taken place of all Superquinn's training programmes.

The director has responsibility for training and personnel policies in Superquinn. There are three sections within the department: recruitment, training and administration. The recruitment section has one person whose full-time activity is the recruiting and selection of full and part-time employees from sales assistant grade up. Superquinn has established a scale of 1 – 10 for the recruitment of new employees and selects one person for every thirty interviewed. The recruitment of casual staff for packing bags at the check-out in each store is undertaken by specially trained interviewers in each store. The bag packers in each store are known as Super Service People and are mainly young people still at school or in some cases mature people. There are four people in the Administration section who look after personnel records.

The training section is the largest in the department with eight staff. The head of the training section acts as the deputy head in the director's absence. The training section is divided into four sub-sections each dealing with the training needs of a particular part of the company: In-store departments, skills, Introduction/ customer relations and management.

The in-store department sub-section has responsibility for the training of personnel in the in-store departments such as bakery, meat or fruit and vegetables. The skills sub-section handles the training in relation to computerization, check-outs, cash office administration and other store support operations. The introduction/ customer relations sub-section has a staff of four including the section head. Its duties include the three day induction course which all new employees must do and customer service courses. The remaining sub-section management training as its name implies caters for the training needs of people in management grades throughout the company.

One of the trainers in the training section has received training in hygiene and Superquinn has established a small hygiene laboratory in the training department. The laboratory is being used presently for simple hygiene tests on behalf of the thirteen stores and it is hoped to further develop this facility in the future. Superquinn believe that having a training officer skilled in hygiene will be a vital competitive asset in the future. This will be discussed in more detail later in the case study.

The training and personnel department is based at Superquinn's store in Finglas in North Dublin. Superquinn has made considerable investment in recent years in improving both the size and facilities of the training and personnel department. The department has a number of offices for senior executives, a two room interview area, a number of large room devoted entirely for training. One training room is equipped with check-out terminals of both the old and current makes of machinery used in Superquinn. A second room has computer terminals where users are trained in Superquinn's information technology systems. The department also has standard audio-visual, television and video equipment. The department has also invested heavily in training packages and videos. The centre also has its own bright and attractive canteen serving food freshly prepared from the adjoining store.

4.2.3 Impact of new technologies

Superquinn has been to the fore in the introduction of scanning technology. The majority of the company's stores now have scanners at the checkouts. The company is already planning the next part of the introduction of scanning facilities in the storage area of each store. In this way details on consignments of a particular item delivered into the storage area of each store or directly on to the shelves by a supplier will be fed into a computer. This information will be then matched with the sales records of the item produced by the check-out scanners. The analysis will help management determine which products are profitable and which products should be deleted.

New recruits to Superquinn are given a five day course in operating check-out machines. In the company's training centre there is one room which is equipped with both the old and existing make of check-out machines. Trainees are also taught to operate Superquinn's price look-up (PLU) system whereby check-out operators memorize prices of goods which do not have bar codes such as bread,

vegetables, etc. Superquinn believes that its check-out operations training course for sales assistants is unique in Ireland and possibly elsewhere.

The induction course up to now had been exclusively for full-time and part-time sales assistant grades. The company also employs a large number of casual staff who are principally school children who work a few hours every week after school packing bags at the check-out, collecting trolleys, etc. The casual staff are known as the Super Service People. They are selected at store level and receive on-the-job training. However, Superquinn is now planning to send all recruits to the Super Service People on a one day induction course in order that they understand the Superquinn way of retailing. In taking this policy decision Superquinn are following in the steps of McDonalds and Disneyworld that no employee should serve customers without some initial training. The Super Service People are the first people customers meet in the stores and the training and personnel department wants to make sure that the first impressions made by customers of Superquinn staff are positive ones. As an illustration of this attitude, Superquinn found that customers appreciated having more mature Super Service People packing their bags at the check-out because a housewife with two children is likely to have more in common with an older person packing her shopping than a sixteen year old school girl which is the norm in many supermarkets.

Superquinn believe that legislation will be introduced in the next few years which will make it mandatory for employees in retail outlets who handle food to have training in hygiene. For this reason the company has started providing training in hygiene and it hopes that by the time the legislation is enacted all Superquinn employees will have received the required training.

4.2.4 Participation of social partners

Training policy in Superquinn is decided by management alone. Employees or their representatives are not formally involved in the formulation and implementation of training policy and programmes.

However, the training and personnel department which is responsible for training policy in the company is in regular contact with all stores and the personnel director makes an in-depth visit to one store a week to discuss training with the staff.

4.2.5 Description of major programmes

Prior the formation of the training and personnel department in 1980 employees had limited options available to them in terms of training. A number of employees attended external courses in retailing most notably the two year diploma in the principles of retailing course provided by the College of Marketing and Design in Dublin. Attendance at this course was purely voluntary at the time but since 1980 Superquinn has recognized this course and actively encourage employees to attend it.

Other external providers of training were used by Superquinn prior to the establishment of the training and personnel department for short, specialist courses. The Irish Management Institute in Dublin is an example of an external provider of training that Superquinn has used in the past particularly for supervisory management courses.

Since the formation of the training function within the company in 1980 most of the training courses provided by the company were developed internally. The main reason for this has been the fact that Superquinn has not been able to outsource training programmes which focus specifically on the retail sector. Many of the training courses and programmes which the trainers have inspected are manufacturing-oriented and thus unsuitable for use in a grocery retail environment.

Since 1990 however a number of courses have been outsourced. A key criteria of the effectiveness of the training and personnel department is that it provides courses that are relevant to the needs of the stores. In recent years a growing concern of the area managers and the store managers has been the standards of presentation in the shops both in terms of appearance and customers relations. The view was expressed that standards had fallen from what Superquinn had a right to expect from both the shops and staff. Following consultations with the area and store managers the training and personnel department outsourced a UK training package since it could not be developed internally and it was not available from Irish sources. The course was entitled "Customer care: what is it?" and Superquinn sought the permission of the producer to customize it to make it relevant to Irish conditions. This permission was granted by the UK company and Superquinn now run this two day course in all of its stores. The company also purchased another UK package "Leadership and Coaching" which emphasized team building skills for use with management and chargehands (supervisors).

In the few situations were Superquinn have bought external continuing education programmes a common feature to all has been the adaptations that the company has made to make the material relevant to retailing. In other cases the company will add modules to the training material to relate the material to the Superquinn way of doing things.

With the increased competition within the Irish grocery retail sector both area and shop managers are under greater competitive pressures. A review of management policy in the shops found that shop managers were trying to do every thing themselves and that there was a need for them to delegate more responsibility to the next level down of management most notably the department chargehand (supervisory) level. The intention was to have the store manager deal with issues relating to overall store management and the department chargehands were to take over the responsibility of running their departments. Store managers, therefore, had to be trained in management techniques particularly in delegation. Similarly, the departmental chargehands had to receive training in supervisory management that allowed them to take responsibility for managing their departments. A

key element for the supervisors was to develop leadership skills.

The task facing the training and personnel department was a formidable one. They had to change store managers from handling a very wide range of activities to concentrating on real management problems and they had to nurture the capability of chargehands to look after the running of their departments. In addition to this they also had to face a problem – which is not unique to Irish retailing – that many of Superquinn's employees had joined the company having completed the minimum compulsory secondary level education. Many of these early school leavers had unsatisfactory school experiences or had not undertaken any formal education for a number of years and therefore viewed training somewhat with trepidation and suspicion. The training and personnel department also recognized that the training had to have regard for the grocery retailing sector in general and Superquinn in particular. The provision of such continuing education courses for management and supervisors was outside the capability of the training and personnel department and Superquinn examined a number of training options including open learning.

In researching the open learning option the deputy manager of the department undertook a distance learning course in supervisory management from Plassey Management and Technology Centre in Limerick University. The manager found that while the structure and materials were excellent the course was not suited to retailing conditions. Changes were made following receipt of permission from the course developers to make the course more relevant to the retail sector. The experience gained by the manager undertaking the course was invaluable. The training and personnel department realized that if Superquinn was to maximize the benefits of open learning particularly to employees who left school early or who had an unsatisfactory experience at school it would have to provide a support structure for trainees in order to overcome the disadvantage of the ease in which people can opt out of open learning courses. As part of their duties, the trainers assigned to chargehands undertaking the distance learning supervisory management course provide support in terms of organizing meetings to encourage the trainees to undertake the exercises and assignments. The department organizes a session once a week in the training centre for the chargehands undertaking the supervisory management course so that the individual trainees do not feel isolated or believe that only they are having problems with the course material. The presence of a trainer in the weekly sessions not only encourages the trainees to do the assignments but he or she also acts as a facilitator to help the trainees to relate the course material to their every day needs. Presently there are eleven store staff members on the course plus one trainer from the training and personnel department.

The same support mechanisms are available to staff members who are studying for the diploma in principles of supermarket management. This is a two year part-time course organized by the College of Marketing and Design in Dublin. Superquinn has provided considerable inputs into the course design and contents. The course is limited to those who are working in supermarkets though there is a full-time day course for those aspiring to a career in retail management. The principles of management and merchandising are the major study areas. Merchandising includes not only the grocery/provisions area but also specialized areas such as fruit/vegetables, meat, bacon, dairy, delicatessen and off-licence. Also covered are security, business law for the food trade and elementary accounting. There are currently nine Superquinn employees on this diploma course and all despite being early school leavers have achieved high grades in examinations to date.

For shop managers the company has started enrolling a small number of executives on a Master of Business Administration course in retailing and wholesaling in Strathclyde University in Scotland. Again, the reason that Superquinn selected an external course was that it was beyond the resources of the training and personnel department to provide such a course and the Strathclyde University MBA course was chosen because there was no suitable course available in Ireland. Superquinn have selected six managers for this course which involves a substantial time commitment between travelling to the course in Scotland and studying. The University provides a tutor but this input is limited to providing academic assistance. Superquinn's training and personnel department organizes weekly meetings in Dublin for the MBA students to revise the course material together and to apply the theory to actual Superquinn situations. Superquinn is pleased with the progress of the MBA students to date most of whom have gained high grades in examinations. The course has aroused considerable interest among other managers and Superquinn will be sending more managers when the course starts again later in the year.

Continuing vocational education courses for sales assistants and grades below chargehand (supervisor) is virtually all provided internally by Superquinn. The chargehand in each department is responsible for the smooth running of the department and for the training of all staff members in the department. The training provided by the chargehands is very much unstructured and informal and very often will depend on the chargehand's own style of management. Some prefer group training sessions while others prefer one-to-one coaching sessions. The training and personnel department provides the support and documentation to enable the chargehands to provide training to department staff.

Because of Superquinn's emphasis on fresh foods and its continuing endeavours to promote the consumption of exotic fruits and vegetables, it became apparent to the training and personnel department that material would have to be developed to assist the chargehands in the fruit and vegetable departments in all the stores in training staff. As a major project the department developed a manual illustrating each of the exotic fruits and vegetables

stocked by the company and providing information on how such products were to be prepared and consumed by the customer. The assistance of suppliers was enlisted in preparing the manual which is now regularly used not only as a training aid for Superquinn employees but also as an aid to consumers who wish to try new fruits and vegetables. It is also known that a competitor of Superquinn has managed to obtain a copy of the manual! It is the responsibility of the chargehands to ensure that department staff are up-to-date with product knowledge and if there are weaknesses in this area he or she can point the staff member to the manual. The training and personnel department has also organized films and videos as well as tasting sessions for staff in the fruit and vegetable departments in all Superquinn stores to ensure that their product knowledge is at the required level.

The training and personnel department also provide courses in customer service for sales assistants and chargehands which would cover topics including merchandising, quality control, documentation, hygiene and, most importantly of all, customer care. These courses are generally held in the training centre in Finglas and are generally two days in duration. All training sessions regardless of their aim will have a component on the importance of customer care and how customer service can be improved in the stores.

It is important to note that while the training and personnel department provide support and assistance to the store managers and chargehands in respect of the continuing vocational education of sales assistants the responsibility for assessing the training needs of individual employees rests with the store manager and chargehand concerned. The normal practice is that each sales assistant will sit down with his or her manager/supervisor to discuss their career plan. This is not a formal process but in keeping with Superquinn policy and with the fact that many employees left school early is kept informal. The normal progression route is for each sales assistant to work on the check-out initially and then move to general duties on the shop floor. If the employee shows ability he or she is moved to one of the departments such as the meat, bakery, fish, wine and fruit and vegetable departments and can ultimately advance to becoming the chargehand for that department. Once the employee has reached chargehand level he or she is eligible for formal, structured courses organized internally or externally. The level above department chargehand is store management and the next level above that is the area manager grade. In discussing each sales assistants' career plan the manager will outline what qualities and training the employee will need to advance to the next higher grade. Employees are encouraged to take their own initiative in furthering their continuing vocational education. Employees who, for example, undertake the certificate and diploma course in the principles of supermarket retailing in Dublin's College of Marketing and Design will be seen by management as underlining their commitment to the company and a career in retailing.

As an aid to the career planning process the training and personnel department organizes personality testing for employees. This is intended to show staff members whether they are introvert/extrovert personalities, etc. It may also indicate whether they prefer working on their own or with customers. If the test shows that they are best working on their own the company will try to accommodate that as far as possible believing that if staff are unhappy in one position this will be communicated to the customer who will not enjoy her shopping experience as a result.

In terms of future training needs the training and personnel department are conscious of a number of needs within the company. The level of competition in the grocery supermarket in Ireland has intensified dramatically. It is generally accepted that the Greater Dublin area is over supplied in terms of shopping sales space: there is just too many supermarkets. Some of these will undoubtedly fail in the coming years. The objective of the training and personnel department is to geared to ensuring that Superquinn stays in business. This means focusing on providing a consistently high level of customer service and quality in terms of product range and availability, appearance and presentation. The importance of achieving a satisfactory financial result, while always important, is now receiving greater prominence among senior management. The technical aspects of making money will be a concern of the training and personnel department particularly obtaining the best use of the company's information technology. The training of staff in the use of computers to calculate Direct Product Profitability (DPP) which attempts to specify how the highest return to the company can be obtained from a given amount of shelf space. The department will also be devoting its attention to achieving ways of making money work harder for Superquinn.

The department would like though to see a balance maintained between the technical and people skills of continuing vocational educational training in the company i.e. that the generation of profit maximization will not take precedence of the personal development of staff. It is also hoped that Superquinn will continue to be an informal organization and the high levels of communications between staff and management will continue.

The department also believes that it has made the right strategic decision to start training staff in food hygiene. All of the staff recruited for its new store in Lucan have received training in hygiene and Superquinn will gradually extend this over the next three years to the rest of the stores. The company believes that it will be legally mandatory for all employees in retail outlets handling food will have to have training in hygiene. By starting now Superquinn believes it will gain a competitive advantage over its grocery rivals.

The department also recognizes the substantial investment it has made over the years in continuing vocational education within the company particularly those courses which it has developed itself and which specifically relate to Irish retailing conditions.

It is considering the possibility of making some of these courses commercially available to other organizations.

The training and personnel department would like to see further courses being made available to the chargehand grades within the company given that the store managers are delegating an increasing amount of responsibility to the department chargehands. It would like to see the chargehands taking a greater responsibility for training in their departments.

The department recognizes that the level of training it provides in the some in-store departments such as the cosmetics and toiletries department – where high margins are possible – could be improved and is considering the possibility of producing a manual on cosmetics and toiletries similar to the one it has developed for exotic fruit and vegetables.

4.3 Closer look at a particular store

In November 1991 Superquinn opened a new store in Lucan on the west side of Dublin. As with its previous developments, Superquinn's property subsidiary was responsible for developing both the store and the shopping centre in which it is located. The shopping centre has a pharmacist, newsagent and hairdressing salon, etc., as tenants and there is also office space for small businesses.

The store was the first for Superquinn for some years as the company had experienced two setbacks when fire had destroyed its combined store and head office in Sutton and damaged another store in Blanchardstown.

The training and personnel department was active in the preparation programme for the opening of the new store. It played a major role in the recruitment process and later in the training of staff prior to the opening of Lucan.

Out of the 183 staff working in the new store, some 150 were completely new to the company and the remainder came from existing positions within Superquinn. The company could have filled all the permanent positions from within Superquinn but management decided from an early stage that new staff should be recruited were possible. It was decided that the new enthusiasm of staff allied with training could lead to the Lucan store setting new standards within Superquinn which the other stores would then have to emulate.

In keeping with Superquinn policy, the manager of the store considered that the recruitment of staff was an important part of the training process. The recruitment programme gave the manager and the recruitment team an opportunity to initially screen applicants who could form part of the team at Lucan. Both manager and recruitment team endeavoured to make the interview process as relaxed and friendly as possible. The intention was to portray Superquinn as a company where it would be fun to work and where team spirit was encouraged. The manager believed that applicants should enjoy applying for a job in Superquinn. Even if job seekers were unsuccessful in their application the recruitment process would serve as a valuable public relations exercise as they would continue to have a good impression of Superquinn.

The manager of the store personally met each applicant in the beginning. Then each applicant was interviewed for a further one or two times by a two person team from the training and personnel department. Emphasis was put on selecting people who would most likely fit into the Superquinn way of retailing (i.e. those who would enjoy serving customers) and who would work best as part of a team. Notes were compared on each applicant and the team began the process of selecting the final numbers.

The manager of the store had established a number of objectives he wanted the training which followed the selection process to achieve. His major objective was to ensure the new employees got to know and participate in the culture of the company. He also viewed the training as educating the new staff in their roles in the store.

The successful recruits were then invited to Superquinn's Training Centre in Finglas for the start of their training. In keeping with Superquinn's experience that many of its employees did not have a good experience of school and therefore would be suspicious of formal education, the new recruits were not told that they were going on a training course. All new entrants were personally welcomed and congratulated on their appointment by the store manager. The emphasis on the first day was on breaking the ice with music, company videos and slide shows being played. The store management team mingled with the new recruits during coffee breaks and at meal times to make the atmosphere feel relaxed and informal. Management felt that it was important to meet the new employees on the first day to create a sense of importance that the store manager had taken time off his busy schedule leading up to the store opening to welcome them.

The new employees were divided into three teams for the three week training period. The teams were then further sub-divided according the type of work the staff would be doing in the new store, chargehands, checkout operators, store people, etc. A comprehensive programme of training and store visits was arranged. Each participant depending on his or her appointed position in the new store received training appropriate to that position and visited existing stores to see how the work was carried out in practice. The classroom sessions were kept as informal as possible and the emphasis was on allowing participants to discuss what they had learnt. The highlight of the training programme for many of the new recruits was the visit to the Lucan store two weeks prior to its opening.

The training process leading up to the opening of the Lucan store was also an educational process for the training and personnel department because thirty three of the total came from existing Superquinn stores. While these were also included in the training programme the nature of their programme

was more on refreshing them on what they had learnt on previous training courses. Their presence on these courses allowed trainers to ask them what they had learnt from previous courses and what they had applied since. The participants' comments proved useful in helping the training and personnel department to evaluate existing courses and to determine where changes should be made.

It is Superquinn's style of management that the store managers are considered to be "customers" of the staff departments such as the training and personnel department. The manager of the Lucan store did not use a traditional way of evaluating the training his new staff had received from the training and personnel department such as the money spent of training. His measure of the performance of the trainers was that his staff, when the store opened in November 1991, wanted to do their work professionally and wanted to it with enthusiasm. For him enthusiasm was a key word. He also felt that staff should enjoy themselves, that there should be a fun element to work. The manager did not believe that the outcome of training could be or should be measured in terms of cost or numbers. He was entirely satisfied with the training that had been provided to his staff in the period prior to the opening of the store.

The manager believed that it was important for the training and personnel department to have a very close working relationship with the store. Such a partnership would work best if the training personnel regularly met with him and his staff to assess the training programme that had been put in place for the opening of the store. He particularly welcomed the fact that the training and personnel department had provided a full-time trainer to the store for a number of weeks after the opening. Providing continuing support was as important to the manager as the initial training.

4.4 Evaluation

4.4.1 By the management

Superquinn is a company which believes in the importance of continuing vocational education in assisting the company to survive in a very competitive Irish grocery marketplace. Training has an important role within the company in helping Superquinn to maintain its competitive advantage in fresh food retailing and in providing a superior level of customer service than its competitors.

The training and personnel department within the company plays a supporting role to each of the company's thirteen shops. Within Superquinn the store manager has absolute responsibility for the performance of the store. Store managers are not required to use the services of the training and personnel department: when they do so they must pay a fee to the department. This puts an onus on the training and personnel department and other supporting service organizations to "market" a service which is relevant to the needs of the stores.

The company believes strongly that continuing vocational education is strongly linked with the selection and induction training process. Superquinn believe strongly that personality not qualifications or previous experience is the most important attribute among new recruits. The role of the training and personnel department is providing the conditions in which employees can serve the customer to a level better than any of Superquinn's competitors can provide.

The training and personnel department supports the stores with a wide range of induction and continuing education courses for both management and shop floor grades. Even casual employees who work in the stores for a small number of hours every week sweeping the floors or packing bags at the check-out must now undergo a one day induction course.

Many of the courses provided by the Department have been developed internally. Where a continuing vocational education course cannot be provided internally by the company, the training and personnel department endeavour to have the course material re-developed to suit the retailing industry in general and to Superquinn's method of retailing in particular. The department also supports the trainees on external courses by providing them with weekly sessions with a trainer from the training centre to help them relate the course content to their actual working situation.

The company believes that its recent policy decision to extend training in hygiene to all employees handling food will enable it to gain a competitive advantage in the future as forthcoming legislation will make it mandatory for all people handling food in retail outlets to have basic training in retailing.

4.4.2 By the employees and their representatives

The employees of Superquinn have expressed their satisfaction with the training programmes provided by management. Though employees or their representatives do not have direct influence in the formation of training policy within the company because of the close relationship that exists between staff and management, employees are encouraged to make suggestions regarding future training policies and programmes.

There is a recognition among Superquinn employees of the high standards of continuing vocational training which they receive and of the fact that such training is not available in the majority of other companies operating in the Irish grocery market.

4.4.3 By the author

Superquinn is an example of a company whose method of conducting business is dominated by the very individual philosophy of its founder, Feargal Quinn. His view of customers and the way in which Superquinn employees should treat customers is evident in the company's training policy. His view that unless potential employees have the personality to serve customers in the Superquinn way then they can't be trained to do so is one that some professionals within the training sector will disagree with. However, Superquinn is confident that its

approach is correct and point to its continuing success and growth in the very competitive grocery market in Ireland where many other firms, both native and foreign, have failed.

The company also has a very unusual—if somewhat unorthodox—approach to the measurement of the effectiveness of training. Superquinn is not a paper organization: few statistics are kept by the training and personnel department on the cost of training. As far as can be gauged Superquinn do not engage in cost-benefit analysis of its training programmes. The most important statistic retained by the department is the number of staff members who have participated on its training programmes during the financial year.

4.5 Transferability

Superquinn prides itself on being a customer-oriented company: this attitude is reflected in the structure of the company. The most important people in the company are the area managers and the store managers. Head office and other staff units exist to support the area and store managers. As with other support departments, the training and personnel department must go out to the stores and "sell" their services to the store managers. The area and store managers are not obliged to "buy" from the training and personnel department particularly if they think by doing so the stores' profits—for which they are responsible—will be reduced. The training and personnel department is forced therefore to spend considerable time ascertaining the needs of store managers and devising training programmes which will suit their needs and requirements. Trainers spend a considerable amount of their time discussing training programmes with their "customers". Superquinn believe that this approach ensures that the department's policies and programmes reflect what the users want. This user-oriented approach could serve as a model for other companies — and not only in the retail sector — who wish to devise training policies for employees and managers consistent with actual as opposed to perceived needs.

Another element of Superquinn's training policy which is worthy of consideration is to achieve a competitive advantage through training. In Superquinn's case, the training and personnel department has developed a hygiene course for its employees and it plans to have all its employees go through this course over the next three years. Superquinn believe that future legislation will make it mandatory for all retail sector employees handling food to undertake this training. By starting now Superquinn hope to achieve a competitive advantage over their rivals in Ireland in having all their employees go on the course before the legislation is enacted. Their rivals who have not yet developed such a course will then be forced to use the expensive option of having to train all their employees in a very short period. By scanning the legal environment in which Superquinn operate, the training and personnel department have developed a training programme which could help the company to achieve a possible competitive cost advantage over its rivals.

Superquinn in common with many other retailers have found that there is a shortage of quality training programmes specifically for the retail sector which can be purchased externally. Superquinn's solution to this has been to develop its own training materials most of which are of a very high quality or to adapt existing external material to its own needs. The training and personnel department are considering the possibility of marketing this material. This is an option which other retail companies which have invested heavily in training might consider. From an industry point of view it would help solve the problem of lack of quality training materials on the market. From the company's point of view the sale of the material would help recoup the cost of producing the material and would perhaps help overcome the perception that training departments are not just cost centres but they can also generate revenues from their own activities.

4.6 Conclusion

Superquinn is a very interesting grocery company to study because of its policies and structure. The company is very customer-oriented and it has been first in Ireland—and in many other European countries—to introduce radical new innovations such as crèches in shops and pizza counters. From the point of view of continuing vocational education this customer-oriented attitude is reflected in the work of the training and personnel department. The department must market its services to all of Superquinn's retail outlets—the store managers are not obliged to use its services. The department must, therefore, undertake market research among the store managers to ascertain what training programmes are required and then develop programmes to meet the needs of the individual stores. This process helps to ensure that the training and personnel department are in constant communication and training programmes are developed which meet the real needs of the stores.

Superquinn believes in the importance of linking recruitment to continuing vocational training and the company also emphasises the importance of its induction training programme. A basic tenet of Superquinn's approach is that if a new recruit has the right personality to serve customers he or she can be trained in the necessary techniques. For a potential employee to have the right personality is more important to Superquinn then having previous experience in the retail sector.

The Service Industries Research Centre would like to thank the management and staff of Superquinn for their support and assistance in the preparation of this case study.

PART 3:

CONCLUSIONS

1. Selection of case studies

1. SELECTION OF CASE STUDIES

The four Irish case studies were selected from a list of ten Irish retail companies submitted by the Service Industries Research Centre. One of the companies selected, Marks & Spencer, was studied as part of a three nation study.

The companies submitted to the central team had been chosen on the basis of criteria relating to their continuing vocational education programmes. The companies were interviewed by the Service Industries Research Centre and during the interview process a questionnaire designed by the central team was completed.

One of the difficulties faced by the Service Industries Research Centre was the small number of Irish retail companies which met the criteria set down for inclusion in the list of candidates from which the companies to be investigated in the case studies were to be selected. Training within the Irish retail industry is almost exclusively found in large companies. Another related feature of the Irish retail industry which restricted the list of candidates is that it is largely dominated in terms of numbers of enterprises by SMEs and in terms of turnover by a small number of very large companies.

1.1 Planning and conception of training

Systematic training of staff within the retail sector in Ireland is a relatively new development. For example in one of the four Irish case studies, Clerys, one of the largest department stores in Dublin employing 320 people, there was no training department and no formalized training system up until two and a half years ago. Similarly, the training function in Superquinn was not formally established until 1979. The recession in Ireland coupled with the arrival of UK-owned retail companies in the Irish retail sector have combined to make a very difficult trading environment and have underlined the necessity for companies to develop staff to meet the changing market conditions. The large UK firms which have established in Ireland have long traditions of training and a good example of this is Marks & Spencer. The higher level of professionalism of the staff in the UK-owned stores has been a contributing factor to indigenous companies realizing the need to raise staff standards in their stores.

Formal planning of training within companies involved in the Irish retail sector is largely the preserve of large companies. The four case studies undertaken in Ireland indicated that the enterprises profiled undertook formal planning of training. This practice, however, is not found in smaller companies as training in these companies is undertaken on an ad hoc basis if at all.

Formal planning of training within companies is the responsibility of the training manager who is often the personnel manager. The training programmes are directed principally at two categories, sales staff and supervisors/middle managers. Formal assessment of staff training needs is still in its infancy in Ireland; the majority of firms rely on subjective estimates of staff training needs as perceived by supervisors and management. Marks & Spencer is an exception as the company has a detailed and formal system for assessing staff training needs; ESB is pilot-testing a programme to assess individual training requirements.

The social partners are not involved in training at the level of the enterprise. Employees or their representatives are not involved in establishing company training policies or in drawing up annual training plans. The development of training policies and objectives is the prerogative of management. In two of the companies profiled in the case studies, Marks & Spencer and ESB, structures existed in which training could be discussed between management and staff. In the case of the ESB these structures are chiefly used to discuss pay and conditions. Negotiations between management and trade unions rarely focus on training, the predominant concerns being traditional industrial relation issues of pay and conditions. As mentioned above, the training manager is often also the personnel manager. This can cause difficulties in negotiations between management and trade unions because there have been instances in the recent past where training was introduced at a time of redundancy: this has not helped to create a positive attitude for training in these firms among staff or their representatives. Some trade unionists believe that it would be beneficial to separate training from industrial relations.

The objectives of training vary from company to company but as a general principle, training is geared towards enabling sales staff to improve their selling skills and relations with customers and to increase product knowledge levels. At the supervisory level, training is aimed at allowing supervisors to develop their interpersonal and managerial skills. Training for new technology is becoming increasingly relevant with the introduction of EPOS technology.

Training plans within large organizations are generally integrated into overall corporate business plans. In the case of the ESB, however, this is a recent introduction. In the case of the vast majority of firms in the Irish retail sector particularly SMEs, neither a formal business plan or training plan is likely to exist.

Training plans tend to reflect overall corporate needs rather than individual needs. However, as indicated in the Marks & Spencer case study, staff in the company are encouraged to assess their own training requirements and to take responsibility for their own personal development.

1.2 Type of personnel concerned with training

Training for new entrants into the company is a very important part of training within the Irish retail sector. Because of the absence of a nationally recognized retail skills training course for new entrants to the sector, the onus on providing training lies with management. In the larger companies there are formal induction training programmes, and the Superquinn case study is a good example of a company which provides induction training both for full-time and part-time staff. In the smaller retail enterprise training is provided on an informal basis

to new entrants and is largely on-the-job instruction.

Induction training is intended to provide newcomers with basic skills and to introduce the new employee to the culture of the company. As indicated in the sectoral report many employers actually prefer to recruit employees without any prior training or experience in the retail sector. They believe it will be easier to train such newcomers in their methods and philosophy of retailing.

Training for existing staff is also an important part of the work of training departments of firms within the retail sector. The introduction of new technology, such as EPOS, means that cashiers require training to use the new scanning and point of sales machines. The recession and the increased competition between retail outlets has created the need for increased training in better selling methods and increased emphasis on customer service. Enterprises have also put emphasis on developing new skills to allow them to take advantage of profitable market niches. For example, Superquinn invest a considerable amount of training on staff in specialist food areas such as bakeries and meat counters where it is possible to earn higher margins than with food products supplied by manufacturers. Product knowledge courses are very important as was illustrated in the case of ESB where products sold in the stores are constantly changing.

Retail organizations are now beginning to put increased importance on training for supervisor and management grades. Competition has resulted in the need for managers to take greater responsibility for the strategic management of their stores with the result that a greater part of their former tactical management duties are now being delegated to supervisors. While the larger retail organizations still continue to train supervisors and managers internally there is an increasing trend towards the use of outside courses particularly degree courses. At present there are no degree courses in retail management being offered in Ireland and retail organizations must send their managers to the UK. Superquinn, for example, has a number of mangers attending an MBA course in Strathclyde University in Scotland. However, the College of Marketing in Dublin is having discussions with Trinity College Dublin about the possibility of offering a degree course in distribution marketing management.

As noted in the sectoral report women account for the largest percentage of persons engaged in the retail sector in Ireland. While women employees are concentrated in the lower grades the trend is for women to increasingly hold management positions. In the case of Clerys, women account for 56 per cent of all employees but account for 64 and 73 per cent of buyer and department manager positions. Few retail organizations offer training courses specifically for women employees though ESB has a Career Development programme specifically to assist female employees in identifying and developing their own abilities, personality characteristics and occupational interests. It is likely that other retail organizations will follow ESB's example in the future given the number of female employees in most retail organizations.

Part-time working in the retail sector is increasing though the exact numbers are difficult to quantify. It is estimated that part time employment accounts for 20 per cent of total persons employed in the retail industry in Ireland. Rising labour costs and competitive market pressures are likely to result in more part- time labour being employed. Changing consumer expenditure patterns have also influenced the use of part-time employment particularly in the food sector where shopping peaks during Thursday to Saturday and in the department store sector where Christmas is a peak shopping time. There are conflicting views about the impact of part time employees on training. Trade unions fear that the increased use of part-time employees will make it less likely for employers to offer formal training courses because part-time employees will be regarded as being more transient than full-time employees and therefore investment in training of part-time employees will be wasted. Superquinn, however, takes the opposite view and has started to put all part-time employees through an induction course. The company takes the view that part-time employees are often the first employees that customers see and it is therefore important that they receive training in customer service as any full-time employee would.

With respect to conditions of access of different groups to continuing vocational training the main point to be noted is that the main barrier is that in small and medium-sized firms there is often little or no formal training whereas employees in larger firms are more likely to have access to a wider range of formal and informal training opportunities. This barrier is a function of a number of factors including the lack of a nationally available training courses for the retail sector and the predominantly small size of most retail firms most of whom are not able to afford training programmes.

1.3 Contents, methods and organization

A salient feature of the Irish retail sector is that there are no industry-wide training programmes specifically for the sector. There are no requirements for owners to have a qualification in retail management prior to establishing a retail business as is the case in other EC countries. Similarly, entrants to the retail sector do not need to have a qualification in retailing prior to working in the sector. As has been indicated above and in the sectoral report, it is not regarded as being to the advantage of a job seeker to have prior training or experience in the retail sector when applying for employment in the retail industry in Ireland.

Because of the absence of nationally available training courses for the retail sector the onus is on retail companies to develop their own training programmes. For small to medium-sized companies training is provided on an informal basis, if at all. In the larger companies training is provided on a mixture of formal and informal basis. Both internal and external training programmes are used in lar-

ger enterprises; the lack of available external training courses and materials suitable for the retail trade in Ireland has meant that many of the larger retail operators have had to develop their own internal training expertise and materials. Much of the internally developed material is of very high quality as is the case with Marks & Spencer and Superquinn.

The practice of integrating general training subjects such as customer service and specific skills training varies quite widely. With SMEs the emphasis is likely to be on general training in customer relations and in the operation of check-out machines. Training in specific skills is unlikely in small to medium-sized retail operations because of the cost of using external trainers. Large retail companies provide both general and specific skills training. In most cases the two types are kept separate. Some of the companies profiled in the case studies are now thinking of incorporating the two in their training courses. Superquinn provides modules on customer service in some of the company's specific training courses to refresh participants on customer service training courses attended previously.

The workplace is used quite widely in the Irish retail sector as a training place: in small to medium-sized companies the work place is often the only training place. In the larger organization the workplace will be used in conjunction with classroom training. ESB and Superquinn use both workplace and classroom as training places.

Only the larger organizations have invested in training facilities and only the larger organizations can afford to do so. It is only these companies which have internal training departments and have developed their own customized training materials. Many of the training departments are of recent origin as is the case of Clerys where the training department did not exist two and a half years ago. The training department as a rule is part of the personnel and industrial relations department. Again as in the case of Clerys, the training manger is also the industrial relations manager.

The issue of transferability is one which varies from company to company. In some cases the training is geared to informing the employee on how the company operates, its specific culture and what is expected of employees. This obviously cannot be transferred and the same point applies to product knowledge training that is specific to a particular sector of the retail industry. However, other elements of the training programmes of the larger companies such as customer relations training could be used in smaller companies which presently do not have access to this type of training. Certain training need identification procedures, such as those used in Marks & Spencer, could be used in a wide variety of both small and large organizations.

Reference has been made in the sectoral report that there are many UK-owned companies operating in the Irish retail sector. These companies have had the effect of increasing competition in the market place. Because of the longer tradition of training within the UK retail industry the new arrivals have brought their UK training practices to their Irish operations and have forced indigenous Irish companies to make training a higher priority. The UK-owned stores operating in Ireland have access to their parent's training programmes and materials which gives them a substantial advantage over their Irish rivals. In Marks & Spencer all the training material available to its Irish subsidiary was free of charge and the subsidiary's training budget of IR£ 15,000, with IR£ 5000 allocated for Cork in 1991 was to cover incidental expenses.

Companies—particularly large progressive companies—are increasingly conscious of the impact that training can make in gaining competitive advantage over their rivals. In some cases this takes the form of training in new technology as in the case of Marks & Spencer or as in the case of Superquinn, the company is in the process of providing training in hygiene to all its employees. Superquinn management believe that forthcoming legislation will make it mandatory for all employees in the retail business who handle food to have this training. By starting now, Superquinn management hopes to gain an advantage over their competitors who have not yet started this kind of training.

The vocational education system only plays a small role in continuing vocational education. In the main, only one vocational educational institution, the College of Marketing in Dublin, provides courses for the retail sector. The College provides courses at trainee/apprenticeship, management and proprietorship levels. Its Dublin location, however, creates difficulties for retailers and students wishing to study retailing outside the capital to attend courses. FAS, the national training and employment authority, provides training courses in retailing to unemployed people to help them find positions within the retail sector. The authority is presently examining the requirements of training within the retail sector and considering its own role within the sector.

The research both in the case studies and the sectoral study has shown that the social partners are not involved in training at an enterprise level. Training policy and implementation is solely the discretion of management. In some organizations—such as ESB and Marks & Spencers in the case studies—there are structures which allow management and employees to discuss matters of mutual interest. However, training is not high on the agenda and the matters most frequently discussed are pay and conditions. At national level the same situation applies: discussions between employers and trade unions focus on pay and conditions with the result that other issues are rarely covered in detail if at all.

1.4 Cost, financing and evolution

The case studies and interviews with trade experts indicate that there is little in-depth assessment of training in terms of its cost to companies. What assessment takes place is not based on quantitative measures but rather on qualitative measures. Even with UK-owned stores in Ireland such as Marks & Spencer, cost/benefit analysis is not attempted

because management view such an evaluation as extremely difficult if not impossible to measure accurately. The management of Marks & Spencer in Ireland believe that investment in staff brings long-term returns in terms of greater competitiveness, efficiency and profitability.

A similar view of training assessments is held in Superquinn which, being a "no paper" organization, does not believe in keeping detailed records on training. The most important statistic kept is the number of people trained by the training and personnel department during the year.

The trend in the future is likely to be that more systematic assessments of training will become a feature of the large retail companies which provide training to employees. The factors which are likely to influence this trend are rising staff remuneration and training costs, declining margins and static sales volumes which will combine to force management to scrutinize expenditure in all areas of their business.

A debate is taking place within the retail industry on the issue of a national training programme for the industry. There are a number of proposals from employers, trade unions and state agencies currently being considered. To be effective, a training course for the industry would have to be nationally available and ideally should be certified by a recognized vocational educational authority. Trade sources would like to see a training programme which has both on-the-job and off-the-job components. Such a programme would benefit both large and small companies. It would benefit the large companies because it would largely replace their induction programmes and allow them to devote more resources to training in advanced skills. For SMEs especially, such a course would fill the vacuum which exists currently in relation to the availability of relevant training courses.

One of the most contentious issues in relation to the development and provision of a national course for the retail industry is finance. In the manufacturing sector, a training levy is collected from medium to large-sized companies and this is used to fund training programmes in the sector. This method of collecting funds for training is being opposed by the larger retail companies who object to paying for the training of their smaller competitors. Another method of financing being considered is that all companies, regardless of their size, will pay a percentage of their salary bill into a fund which will be used to pay for the development and provision of a training programme for the retail sector. Financial assistance from the EC could help to with the development of such a programme. The availability of a national training programme would in particular benefit SMEs within the retail industry who presently do not have access to such training or do not have the resources to pay for external trainers.

APPENDIX: INTERVIEWS

3.

Mr. John Long, Department of Labour

Mr. Eamonn Ward, Arnotts Department Store

Mr. Jim Goulding, Irish Hardware Association

Mr. Liam Doherty, Ms. Kealin Ireland, Federation of Irish Employers

Mr. John Douglas, Irish National Union of Vintners, Grocers and Allied Trades Association

Mr. John Kane, Mr. Liam Peppard, Services, Industrial, Professional and Technical Union (SIPTU)

Mr. Michael Campbell, Retail Grocery, Dairy and Allied Trades Association

Mr. Joe Holmes, National Federation of Retail Newsagents

Ms. Anne Stack, National Federation of Trade Associations

Mr. Tony O'Connor, Mr. Pat O'Neill, Mr. John Ryan, College of Marketing

Mr. William Gibbon, Ms. Alison Houston, Ms. Julie Byrne, Ms. Patricia Hegarty, Mr. Colm O'Leary, Ms. Mary Whelan, Marks & Spencer Ireland Limited

Mr. Denis Ryan, Ms. Irene Butler, Mr. Brian Lawless, Ms. Paula Bristow, Mr. Paddy Murray, Clery's Ireland Limited

Mr. Derry O'Reilly, Ms. Margaret Quinn, Mr. Joe Connolly, Ms. Siobhan Cahill, Mr. John Foy, Superquinn

Mr. Jim Cushen, Mr. Brendan Burke, Mr. Michael Duff, Mr. Maurice Hogan, Ms. Ann Downes, E.S.B.

Mr. Pat McKeown, Irish Retail Newsagents Association

Mr. Seamus O'Donnell, Irish Distributive and Administrative Trade Union

Mr. Ray Burke, Musgraves Limited

Mr. Paul Ryan, L & N Limited

Mr. David McMahon, Shaw's Department Stores

Ms. Mary Cryan, Brown Thomas/Switzers Group

Mr. Brian Rafferty, BWG Foods

Mr. Jim Duggan, Easons Limited

Mr. Mel Clifford, Quinnsworth

Mr. Eugene Hanley, Roches Stores

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